

ELD GROUP
ASTICS LTD
TELEPHONE

THE STRUCTURAL GROUP
WITH STRENGTH IN DEPTH
ATCOST
01-493 0802

FINANCIAL TIMES

PUBLISHED IN LONDON AND FRANKFURT

هكذامن الكحل

Friday August 27 1982

*** 30p

CANNING
CHEMICALS
METALS
ELECTRONICS
See what Canning can do.
W Canning Group, 133 Gt. Hampton St.
Birmingham B18 6AS. Telephone 021-236 9821.

NEWS SUMMARY

GENERAL BUSINESS

Glemp calls for Walesa's release

Poland's prime minister, called for the release of Solidarity leader Lech Walesa before a crowd of 250,000 pilgrims at Czestochowa. He also urged that other internees be freed and that trade union activity should be allowed to resume. But he said Poles suffering under martial law should not take grievances to the streets. "The conference table is the place for talks." Page 2

Diphtheria victim

A nationwide search began for anyone who came into contact with Isla Johnston, a three-year-old London girl who died of diphtheria.

Democracy move

Argentine President Reynaldo Bignone was expected to legalise political parties in a speech late last night.

Ulster boycott

The SDLP decision to boycott the proposed Northern Ireland assembly is unlikely to affect devolution plans. Back Page; Editorial comment, Page 10

Belfast killing

In Belfast, a father of eight has been shot dead, and a policeman was hurt by a booby trap bomb outside an old people's home.

Police charged

Eight Boston policemen were charged—four with murder—after a bar brawl in which a man died.

Greenpeace ban

An Amsterdam court barred the Dutch branch of Greenpeace from impeding the dumping of nuclear waste at sea by a Dutch ship.

Detainee freed

Singapore released Dr Poh Soo Kai, held without trial for 16 years for alleged involvement in Communist activity.

British leave

The number of Britons taking day trips to France or motoring in western Europe has risen sharply. Page 3

Spy suspect

The head of the Soviet airline office in Geneva has left Switzerland after police questioned him on suspicion of spying.

Pakistan 255/8

Pakistan was 255-8 at the end of the first day of the Third Test at Headingley.

Small change

Police are looking for an Indonesian tourist who changed money at an Edinburgh bank and was given £3,200 by mistake instead of £3.20

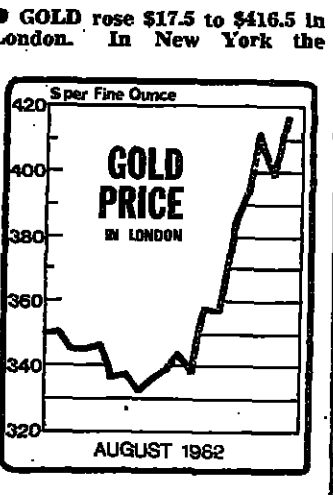
Suburb of fear

Residents of Edgware, north London, are fighting a plague of giant hamsters, living wild and believed to number thousands.

Briefly . . .

Hotel staff in the Algarve, Portugal, begin a three-day strike today.
United Arab Emirates consul-general in Bombay escaped a gunman's attack.
Uganda may return property seized from Asians by dictator Idi Amin in 1972.
Argentine dockers and seamen struck for more pay.

Advance for gold; equities add 7.7



Comex August close was \$430.25 (\$408.75). Page 19

STERLING was unchanged at \$1.7605. It rose to DM 2.925 (DM 4.2775), FFr 12.08 (FFr 12.045) and SwFr 3.64 (SwFr 3.6075). Its trade weighted index was 92.3 (92.2). Page 22

WALL STREET was up 13.61 to 898.50 near the close. Page 20

U.S. TRADE DEFICIT narrowed to \$2.42bn (£1.37bn) last month, against \$3.44bn in June.

MEXICO urged its foreign bank creditors not to call in their lines of credit with private Mexican banks otherwise its bank system could collapse. Page 4

BRITISH TELECOM reported record profits of £457.8m in the year to March 31 against £123.9m. Back Page and Lex; BT moves on line for privatisation. Page 5

SHELL CHEMICALS UK is to axe 825 jobs at its Carrington petrochemicals complex in Cheshire. Page 6

NEDERLANDSCHE Credietbank, fifth largest Dutch bank, is to close 40 of its smaller branches in the next four years with the loss of 400 jobs. Page 17

CHASE MANHATTAN Bank said it anticipates no loss from the collapse of security dealer Lombard-Wall.

RIO TINTO-ZINC Corporation has shelved work on the Cerro Colorado copper venture in Panama, one of the world's biggest mining projects. Back Page

OCCEANIC PETROLEUM of the U.S. won the takeover battle for Cities Service with a revised two-stage cash and shares bid worth about \$4.13bn (£2.3bn). Back Page

LLOYD'S OF LONDON 1979 operating account showed a £17.2m profit, almost unchanged from the previous year. Page 6

MASSEY FERGUSON, Canadian farm equipment maker, turned in third quarter losses of \$5m (£49.42m), against profits of \$3m, and warned that the fourth quarter is unlikely to show any improvement. Page 18

Government refuses to raise offer as nurses reject 7.5%

BY IVO DAWNAY, LABOUR STAFF

THE GOVERNMENT adamantly refused to improve its pay offers to National Health Service workers last night, despite yesterday's overwhelming rejection of a 7.5 per cent rise for nurses by members of the Royal College of Nursing.

In a 45 per cent poll, RCN members—just under half of Britain's nurses—threw out the offer by a two-to-one margin. There is to be an early meeting between RCN officials and Mr Norman Fowler, the Social Services Secretary.

The four-month pay dispute stayed deadlocked after the 11-union TUC Health Services Committee dismissed an RCN peace proposal calling for fresh talks in return for an end to industrial action.

Instead, the committee revealed plans for a further 24-hour national strike combined with a rally in London and one-hour sympathy stoppages by workers outside the NHS on September 22.

Earlier, the RCN announced details of the result of its ballot on the offer. Of a total membership of about 190,000, 58,000, or 30 per cent of those voting, rejected the offer, against 28,500 for acceptance.

The poll almost exactly reflected an earlier RCN ballot on the Government's original 6.4 per cent offer to nurses, though on a markedly higher turnout.

Mr Fowler immediately warned that the ballot outcome would not alter the Government's refusal to increase the current offers.

He said: "The offer to the nurses of 7.5 per cent is both fair and reasonable. I therefore regret the result of the Royal College of Nursing's ballot. 'I have already made it clear that there is no question of there being more money available this year. That remains the position, and the ballot does not alter it.'

Mr Trevor Clay, the newly elected RCN general secretary, said he was "not in the least surprised" by the outcome of the ballot. He called on the Government to open fresh talks in return for a halt to industrial action.

Asked whether the Government was likely to respond to his appeal, he said: "I don't think a ballot wherein 190,000 nurses vote can be considered irrelevant."

"We believe that the Government must talk now, as one of the most vulnerable sections of the community is at risk."

He dismissed a suggestion that Mr Fowler should resign, but criticised Mr Kenneth Clarke, the Health Minister.

"One of the contributions the Government could make is to stop Health Ministers going round the country and making statements about bringing in the troops—this doesn't really help," said Mr Clay.

Bundesbank discount and Lombard rates cut

By Our Foreign and Financial Staff

THE BUNDESBANK, the West German central bank, cut its discount rate and Lombard rates yesterday in a concerted move with the Swiss and Dutch central banks to stimulate their local economies.

The Bank of England also hinted yesterday that it was prepared to see a further drop in UK bank base rates.

The Bundesbank cut its discount rate, which has been at a record post-war high for more than two years, from 7.5 per cent to 7 per cent. It also reduced the Lombard rate—the rate at which the Bundesbank lends short-term funds to

Manville files for protection under bankruptcy code

BY RICHARD LAMBERT IN NEW YORK

MANVILLE CORPORATION of the U.S., the world's biggest manufacturer of asbestos products, yesterday filed for protection from its creditors under Chapter 11 of the Federal Bankruptcy Code.

The largest bankruptcy filing in the U.S. since the early 1930s, the move is the result of a growing number of asbestos health lawsuits being filed against the company. Manville's shares, which are a constituent of the Dow Jones Industrial Average, did not open for trading yesterday.

Mr John McKinney, Manville's chairman, said yesterday that "though our businesses are in good shape, despite this recession, we are completely overwhelmed by the cost of the asbestos health lawsuits filed against us."

"A recent study estimates these may ultimately total about \$2,000 suits and cost more than \$2bn (£1.1bn)."

Manville said that all further proceedings in pending lawsuits and the commencement of all new law suits against the company and its affiliates would be automatically stopped by the Chapter 11 filing.

Under Chapter 11, a company is protected from its creditors while it tries to reorganise its financial affairs.

The bankruptcy courts will now set up a committee of claimants to examine Manville's liabilities, and it is thought likely that the litigants will be represented on that body.

Manville added that the filing had been made in order "to preserve the company's continuing operations, protect its assets, and achieve even-handed treatment of asbestos-health lawsuits and the claims of lending institutions and trade creditors."

The company's consolidated assets are put at roughly \$2.2bn, and its liabilities—excluding asbestos health and other product liability claims—total around \$1bn. Its borrowings amount to around \$600m, and its major creditors are thought to include Prudential Insurance which lent \$70m to a forest products subsidiary of Manville, Morgan Guaranty, which said it had lent Manville \$36m, and the Bank of America.

There was no indication yesterday of how creditors or shareholders might emerge from the bankruptcy filing.

Mr McKinney stressed that the filing did not constitute a liquidation of the company. It would not lead to any redundancies among its 25,000 employees, and products would

U.S. blacklists French pipeline contractors

BY OUR FOREIGN STAFF

THE U.S. Government yesterday temporarily blacklisted two French companies—one a subsidiary of a U.S. company—after natural gas pipeline equipment was loaded for shipment to the Soviet Union in defiance of the U.S. embargo.

The action, announced by the Commerce Department in Washington, forbids Dresser France from receiving any imports from its parent company, Dresser Industries of Dallas.

Also put on the temporary blacklist was Creusot-Loire, the French engineering concern, a prime foreign contractor for the pipeline project.

"The temporary denial order means that both parties will be prohibited from receiving all U.S. goods and technology," said a Commerce Department official. "It's a measured response. It could have been a lot tougher. It is hoped this will dissuade other companies from taking similar action."

The order will remain in force until fuller investigation of the allegations is completed, he said.

Three compressors made by Dresser France were loaded earlier yesterday on a ship at Le Havre for delivery to the Soviet port of Riga.

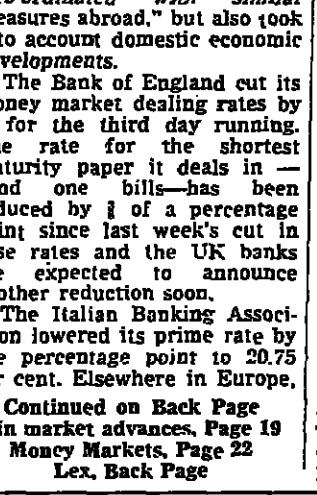
On Tuesday, Dresser said it would fulfil its contract obligations after the French Government ordered it to do so.

Yesterday's order was signed at the direction of President Reagan by a Commerce Department hearing commissioner. The temporary action was made "until the investigation can be completed and we can present facts" to justify permanent penalties, the official said.

The action avoids a direct confrontation with the French Government.

Our Foreign Staff adds: The blacklisting has grave implications for other European companies, in particular John

Interest Rates



West German banks against strikes—from 9 per cent to 8 per cent.

The Dutch Central Bank cut its discount rate from 8 per cent to 7 per cent and its secured loan rate from 8.5 per cent to 7.5 per cent. The promissory note rate was cut by a full point, as well, to 8 per cent.

The Swiss National Bank reduced its discount rate by half a point to 5 per cent, its lowest level since May last year. It also reduced its Lombard rate by a similar amount to 6.5 per cent. The Swiss central bank said the reductions had been "co-ordinated with similar measures abroad," but also took into account domestic economic developments.

The Bank of England cut its money market dealing rates by 1/4 for the third day running. The rate for the shortest maturity paper it deals in—band one bills—has been reduced by 1/4 of a percentage point since last week's cut in base rates and the UK banks are expected to announce another reduction soon.

The Italian Banking Association lowered its prime rate by one percentage point to 20.75 per cent. Elsewhere in Europe,

Relief for some Signal Life investors

BY ERIC SHORT

The Hongkong and Shanghai Banking Corporation is to pay £42m to about 2,000 UK investors holding certain life bonds issued by the Gibraltar-based company, Signal Life Assurance.

The Gold Bonds were guaranteed income bonds, with both capital payments and the interest guaranteed. Yet the prospectus stated that the money would be invested in surface gold mining production in the Yukon. There is considerable confusion over the operations of Signal Life and the company which marketed its products in the UK, Hanover Financial Services.

The trustee has initiated legal action against Signal Life, Hanover Financial Services and other defendants for a full account of the investment of the bond money and a recovery of any money which has been misapplied.

The authorities in Gibraltar are also investigating the affairs of Signal Life and the company has ceased trading, at least temporarily.

Continental Currencies—the other side of our foreign exchange business

As Australia's largest and best known bank, the Bank of New South Wales is already widely respected as one of the world's major dealers in Pacific Basin Currencies—but 50% of our foreign exchange business is in continental currencies.

So remember—whatever your currency requirements or exposures talk to the Bank of New South Wales before making a move.

Telephone our London Dealing Room (01) 283 5321
Telex: 8956425-Reuter Monitor page code: WSWX
Reuters; direct dealing code: NSWL

Bank of New South Wales
(Incorporated in Australia with limited liability)
First Bank in Australia
Walbrook House 23 Walbrook London EC4N 8LD

Sydney Tel: 2314404 Telex: 68001
Wellington Tel: 724035 Telex: 30038
Hong Kong Tel: 232335 Telex: 74935
Singapore Tel: 2232147 Telex: 26722
New York Tel: 9499839 Telex: 425679
San Francisco Tel: 9684239 Telex: 470609

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES	
Treas Spc 1994	288 + 1
BEA	32 + 1
FTSE	332 + 10
Blue Circle	422 + 14
British Aerospace	242 + 6
Cray Electronics	83 + 6
Disillers	200 + 6
Eurotherm New	107pm + 5
Glaxo	770 + 10
GKN	144 + 4
Leisure Inds	138 + 5
Leasche	85 + 5
Man Agency Music	90 + 6
Roithmans	97 + 5
Stanley (A.G.)	52 + 6
Stonehill	41 + 5
TI	102 + 4
Utd Parcel	217 + 7
Wesland	145 + 6
BP	286 + 18

FALLS	
LASMO	358 - 18
Shell Transport	406 - 10
Tricentrol	208 - 10
Anglo Amer Crpn	208 - 10
De Beers Ltd	245 - 8
Doornfontein	964 - 85
Free State Geduld	1161 - 11
Crestor Tin	85 - 10
Gold Mns Kalgourie	285 - 20
Poseidon	188 - 10
Rustenburg	205 - 15
Vaal Reefs	256 - 12
Cape Inds	72 - 4
Costain	232 - 12
Heywood Williams	37 - 4
Needlers	143 - 9
P and O Ltd	143 - 9
Somportex	50 - 25
Toofal	31 - 21
Turner and Newall	29 - 4

CONTENTS

British receiverships rise: the business of going bust	10
Poland under martial law: an acid test for Solidarity	11
France: profile of the country's leading Communist businessman	2
Commercial law: cases reported in Trinity Term (iii)	7
Management: OCL ponders an uncertain future	8
Technology: poppies as pain-killers	8
Editorial comment: the Soviet pipelines embargo; Northern Ireland	10
Lombard: Tim Dickson on why we need venture capitalists	11
Property: the summer rise in prime yields	18

American News	4	FT-Activities	21	Money Markets	22	UK News:	
Appointments	14	Foreign Exchngs	22	Overseas	3	General	5, 6
Arts	8	Gold Markets	19	Property	18	TV and Radio	7
Bank Rates	14	Int Companies	16, 17	Property Adv.	18	Unit Trusts:	
Base Rates	14	Leader Page	10	Racing	24	Authorized	22
Commodities	19	Letters	10	Shares Information	24, 25	Others	22
Companies UK	12-14	Law	11	Stock Markets:		Weather	26
Crossword	9	Lombard	11	London	21	World Trade News	4
Entertainm' Guide	9	London Optc	14	Walt Svcs	20	World Val	21
Europe	22	Management	20	Bourses	20	INTERIM STATEMENT	
European News	2	Men and Matters	10	Technology	8	Refuge Assoc.	12
Euro Optc	14	Mining	13				

For latest Share Index phone 01-246 8026

EUROPEAN NEWS

OVERSEAS NEWS

Glemp calls for release of Solidarity leader

BY DAVID BUCHAN IN WARSAW



THE HEAD of the Polish Roman Catholic Church, Archbishop Josef Glemp, yesterday called for the release of Mr Lech Walesa, the detained leader of the Solidarity union.

Archbishop Glemp (left): Plea to military regime

The conference table is the place for talks, he said. Archbishop Glemp also called for the release of the 600 internees held without trial and of the even larger number who have received martial law sentences, and for revival of trade union activity. He qualified the last point by saying that unions should "resume, gradually at the beginning, and did not mention Solidarity by name."

It was his most critical statement to several months and it seemed timed—on the eve of the August 31 anniversary—to regain his credibility among Solidarity supporters for falling to speak out strongly against martial law.

The Interior Minister, delivered a blistering law and order speech on Polish television. He warned that "public order will be ensured" on August 31. "If there have been too few lessons so far, then the provocateurs will get more," he said.

Milan court declares Ambrosiano bankrupt

BY RUPERT CORNWELL IN ROME

ITALY'S MOST spectacular post-war banking collapse was sealed yesterday when a Milan court formally declared bankrupt the old Banco Ambrosiano SpA of Sig Roberto Calvi, who was found dead in London on June 18.

The outcome had been contested until the last by the previous administration of Ambrosiano, headed by Sig Roberto Rosone, deputy chairman and general manager of the old bank. But the court yesterday accepted the petition of the three liquidators appointed by the Italian Government on August 6.

Banco Ambrosiano, they declared, was already "seriously short of liquidity" on June 17, when the Bank of Italy placed the Milan bank, head of what was the country's most powerful privately-owned financial group, under special administration.

The court said that deposits had plunged by 25 per cent after the death of Sig Calvi to stand at the end at only L2,076bn (£859m). Foreign liabilities of the parent bank had risen to \$1,450bn (£824m), while the group's collapse was provoked directly by its failure to recover more than \$1.2bn (£622m) lent by Ambrosiano group members to Panamanian front companies, on the strength of letters of patronage issued by the Istituto per le Opere di Religione (IOR), the Vatican bank.

Dutch Socialists oppose wage indexation

BY WALTER ELLIS IN AMSTERDAM

THE DUTCH Labour Party has fallen into line with its main rivals in the general election in two weeks' time by declaring itself against automatic wage-price indexation. After prolonged internal debate, the party has decided there can be no room for guaranteed wage adjustments to price rises in next year's collective labour contracts.

radical union federation. It has declared itself resolutely opposed to any change and its leadership refuses even to discuss the subject. Without the backing of the Labour Party, however, the union's case is greatly weakened and it remains to be seen what revenge they may exact at the polls on September 8. Labour is normally assured of the full backing of the unions. This time, however, many workers—fearful of the loss in income which would follow an ending of the index—may consider transferring their votes to the smaller left-wing parties, including the Communists.

Mr Joop den Uyl, the Labour leader, is well aware of this danger. At a news conference called to explain the party's decision, he said there were several ways in which workers could be compensated for their loss, such as through shorter working hours and a bigger say in company management.

There was a growing tendency, he said, to use the economic recession as an excuse to break the unions' traditional power structures, increase wage differentials and erode the welfare state. The Labour Party would seek to reverse this trend.

Hunted French extremist to give himself up

PARIS—M Jean-Marc Rouillon, the founder and leader of France's most feared extremist group, Action Directe, has written to the authorities saying he intends to give himself up, the police said yesterday. The 31-year-old fugitive said he was prepared to "take responsibility" for his actions and turn himself in when his lawyer returns from holiday.

more than 50 others in France since July 20. A warrant for his arrest was issued two weeks ago after the daily newspaper Liberation published an interview quoting M Rouillon as saying that Action Directe had been responsible for three recent non-fatal terrorist attacks in Paris and denying reports that his organisation had disbanded.

He also denied any connection with the machine-gun murder of six people in Paris's main Jewish quarter on August 9. Twenty-two people were wounded in that attack, which the police believe may have been carried out by a Palestinian guerrilla faction.

Action Directe has further disclaimed any responsibility for a bombing last Sunday near the Eiffel Tower when one man was killed and another seriously injured. The police, nevertheless, want to question M Rouillon about his group's contacts with foreign extremist organisations. They say that he formed Action Directe in 1979 out of a nucleus of members of a radical group which had opposed the late General Francisco Franco in Spain.

David White in Paris profiles France's most successful Communist businessman

Farm-goods empire reaps rich harvest

"BOF!" said M Jean-Baptiste Doumeng, using a typically Gallic term of contempt and thrusting a big chin out. The subject of the EEC's trade embargo against Argentina during the Falklands crisis, M Doumeng, chairman of the sprawling farm-goods trading empire Interagra, is scarcely impressed by such trifles. Other Latin American countries called on him to help, he said. He had to lend a hand—and continued to do deals with Argentina, both import and export. It was, he said, an open market.

French have come to expect of the man they know as the "Red Millionaire". He hates the name, but it has stuck. So has the subject of the EEC's trade embargo against Argentina during the Falklands crisis, M Doumeng, chairman of the sprawling farm-goods trading empire Interagra, is scarcely impressed by such trifles. Other Latin American countries called on him to help, he said. He had to lend a hand—and continued to do deals with Argentina, both import and export. It was, he said, an open market.

French have come to expect of the man they know as the "Red Millionaire". He hates the name, but it has stuck. So has the subject of the EEC's trade embargo against Argentina during the Falklands crisis, M Doumeng, chairman of the sprawling farm-goods trading empire Interagra, is scarcely impressed by such trifles. Other Latin American countries called on him to help, he said. He had to lend a hand—and continued to do deals with Argentina, both import and export. It was, he said, an open market.

French have come to expect of the man they know as the "Red Millionaire". He hates the name, but it has stuck. So has the subject of the EEC's trade embargo against Argentina during the Falklands crisis, M Doumeng, chairman of the sprawling farm-goods trading empire Interagra, is scarcely impressed by such trifles. Other Latin American countries called on him to help, he said. He had to lend a hand—and continued to do deals with Argentina, both import and export. It was, he said, an open market.



Jean-Baptiste Doumeng: "I don't do business, I practise geopolitics"

And there's only me doing it." His latest projects include gold mines, forestry in the Congo—and a Franco-Romanian tractor with which he plans to undertake a series of security measures, including a computerised anti-terrorist information centre, stricter border controls and the appointment of a Cabinet-level Secretary for Public Security.

Rothschilds. M Doumeng stays close to his roots as a small farmer. His accent has not changed and he still lives at No6, the village near Toulouse where he went to school and where he joined the Party as a 15-year-old.

His main current interest was Africa, not the countries where French business has tried to rest its colonial laurels but places like Nigeria, Ghana, Ethiopia or Angola. "In 1990," he said, "it will be a very big market for French farm goods."

EDITAL DE CONCORDANCIA INTERNACIONAL... A COMPANHIA ORGANIZADORA DE SANEAMENTO... COTAGEM DE SUECO... PORTO ALEGRE, 10 de agosto de 1982.

On with the Bonn budget show

By Jonathan Carr in Bonn

THE NEW West German Finance Minister, Herr Manfred Lahnstein, has just learned a bitter lesson. It is that, however hard you try, you cannot stop Bonn's political "theatre of the absurd" from running a continuous show in the summer months. This year's performance—with a strong economic and financial theme—has been more than usually astonishing.

Shortly after he came to office in May, Herr Lahnstein made it clear he would press to avoid last year's "summer theatre"—when, by sniping at one another during the August break, the Bonn Coalition partners thereby undermined the 1982 budget proposals on which they had agreed in July. Herr Lahnstein was as good as his word, coaxing and wheedling the Social Democrat (SPD) and Liberal Free Democrat (FDP) partners to an accord on the full 1983 budget draft before they went on holiday. Has that brought any peace? It has not.

The Opposition Christian Democrats (CDU) have led the summer chorus, insisting that the Government's 1983 budget is based on wholly outdated economic growth estimates. The CDU demands that the Government withdraw its draft and produce a new one, and meanwhile says it will take Bonn to court next month on the grounds that the 1982 budget infringed the constitution.

Rather than keep their heads well down, the SPD and FDP have risen to the Opposition's bait. The Social Democrats have indicated that if budget revisions have to be made, they would prefer the accent to lie on more government borrowing rather than on expenditure cuts, while the liberals have indicated just the reverse.

The comments are being made with at least one eye on the major provincial election in the state of Hesse next month, but they have promptly been pointed out by the Press as further signs that the Bonn coalition is almost played out.

Norway cash for jobs

The Norwegian Government has earmarked an extra Nkr 171m (£14.8m) for schemes aimed at preventing an increase in unemployment.

AP reports from Oslo. This is in addition to Nkr 250m (£21.7m) set aside in the budget for the same purpose. Some 2 per cent of Norway's labour force is unemployed.

Honest answer

The honest answer is that no one can make a cast-iron assessment of growth when so many conflicting elements are at work. On the negative side, there is falling export demand, the threat of growing trade disruption for political reasons, high unemployment and low business confidence.

That, in turn, means a draft has to be ready in May or June, based on medium-term projections which may well have changed by the time budget year actually begins. Naturally it would be a great advantage to the Government if it could squeeze the whole budgetary process into the second half.

That, too, would have one grave disadvantage. It would deprive the West German public of its "summer theatre" which, however much it may irritate Herr Lahnstein, is clearly welcome when there is so little other entertaining news about.

Tax evasion scandal ends speculation on early Australian poll

BY MICHAEL THOMPSON-NOEL IN SYDNEY

THE POLITICAL storm generated by revelations of a tax fraud scandal in Australia has ended speculation that the Government was considering a snap general election to capitalise on last week's "electioneering" budget.

On Wednesday, Senator Peurr Dunsell, the Attorney-General, said Mr John Howard, the Federal Treasurer, refused to resign over the scandal, following calls for his resignation from the Australian Labour Party (ALP) opposition. But disclosures of widespread tax avoidance and reports of bureaucratic incompetence revealed in a Royal Commission report have damaged the Government and scotched all talk of an early election.

Canberra yesterday, the ALP said it was considering calling senior officials from the Attorney-General's department, the Taxation department, and the Treasury before the Senate in an effort to ascertain reasons for the failure to stem the tide of widespread tax-avoidance schemes.

There was uproar in Parliament when Mr Malcolm Fraser, the Prime Minister, accused Mr Bill Hayden, the ALP leader, of "blackmail" in threatening to disclose the contents of two unpublished reports to the Commission. These reports are thought to contain further unflattering revelations.

The proliferation of tax-avoidance schemes in Australia came to light when Mr Frank Costigan QC was given access to taxation office files earlier this year as part of a Royal Commission investigation into tax evasion on the part of members of the Federated Ship Painters and Dockers Union.

The Commission launched its inquiry into the union's affairs in October 1980, and was to have produced a final report and recommendations by September 1980.

However, on June 16 last year, the body of Mr Jack "Patty Nose" Nicholls, secretary of the Painters and Dockers Union, was found in a car on the Hume Highway in Victoria, two hours before he was due to appear before the Commission.

Soon after, the work of the Commission was radically extended. This week's report is the first of three volumes of the Commission's fourth interim report. More material is expected later this year.

The report has gravely embarrassed the government, by revealing the failure by the Crown Solicitor's office, in 1975, to prosecute the organisers of a tax avoidance scheme involving the stripping of companies of pre-tax profits, had led to the proliferation of similar schemes throughout Australia.

According to the report: "The consequences of the gross negligence in the Crown Solicitor's office are difficult to underestimate... the loss to the revenue is enormous."

Mr Lionel Bowen, deputy leader of the opposition, told parliament this week that the number of non-taxable private companies in Australia had increased by 40,000 in the past five years. Australian taxpayers, he claimed, had to "subsidise these crooks."

Mr Fraser has defended Mr Howard who is also deputy leader of the Liberal Party, by saying that the secrecy provisions of the Income Tax Assessment Act were an effective bar to proper ministerial supervision of the taxation office and of the Crown Solicitor's office.

Mr Costigan's report recommends that section 16 of the Income Tax Assessment Act be substantially amended to allow ministers and the police access to taxation files under certain conditions.

The Government has announced that a task force of lawyers, tax officials and police, working under a special provision, is to investigate tax-avoidance schemes, while the Prime Minister says he will press for a national crimes commission to tackle white-collar crime and corruption.

The Government is also planning retrospective tax legislation aimed at cornering those who benefited from profit-stripping schemes, as well as those who knowingly perpetrated

Mr William Hayden, opposition leader

KEEP COOL - SAVE MONEY HIRE AIR CONDITIONING 01-648 6174 For a Nationwide Service We also design and install permanent systems. ANDREWS & Andrews Industrial Equipment Limited

Italian troops move in to aid PLO evacuation

BEIRUT—A contingent of 250 Italian troops and 450 French reinforcements landed in Beirut yesterday to join U.S. Marines in overseeing the evacuation of Palestinian guerrillas from Beirut.

The Syrian army, meanwhile, sent 61 trucks and tank carriers across Israeli lines to West Beirut. They are to be a two-day overland evacuation today of 3,500 troops and officers of the Syrian-commanded Palestine Liberation Army (PLA) to Syria under French escort, an Israeli army spokesman in Lebanon said.

Lebanon's state radio and the Syrian Government had said earlier that the PLA evacuation on the international highway which links Beirut with Damascus was to begin at noon yesterday. But an Israeli military spokesman said yesterday's land evacuation was cancelled.

Syrian officials said in Damascus that the PLA's overland evacuation had been delayed until today because the Syrian command wanted Israeli-backed Christian militia completely cleared from the Beirut-Damascus highway before the departure begins.

Another Israeli spokesman, Col. Yehiel Ben-Zvi, said a further stage of the overland evacuation of the Palestinian Liberation Organisation (PLO)—which has to begin Wednesday was cancelled "because the multinational force suggest it be postponed. The sea evacuation has been going on smoothly so they saw no reason to change."

A truck convoy carrying about 500 PLO guerrillas was waiting at the U.S.-controlled western entrance of the port at mid-day yesterday for sea evacuation to the Syrian port of Tartous. This group will be the second to make the sea journey to Syria.

There has been a sharp decrease in farewell shooting as the convoy moved out from a new assembly centre at the Lebanese Education Ministry

ABOUT 500 battle-weary Palestinian guerrillas from West Beirut received a heroes' welcome when they stepped ashore at Tartous, Syria, Reuter reports from Syria.

The fighters, the first batch to reach Syria under the U.S.-sponsored evacuation plan, were met by thousands of well wishers, chanting "Welcome to the heroes of Beirut." They hugged and kissed the fighters and showered them with roses.

Mr Abdel-Raouf al-Kasma and Mr Mustafa Tias, the Defence Minister, received them at the docks with Mr Khaled al-Fahoum, the Syria, yesterday morning, Reuter reports from Syria.

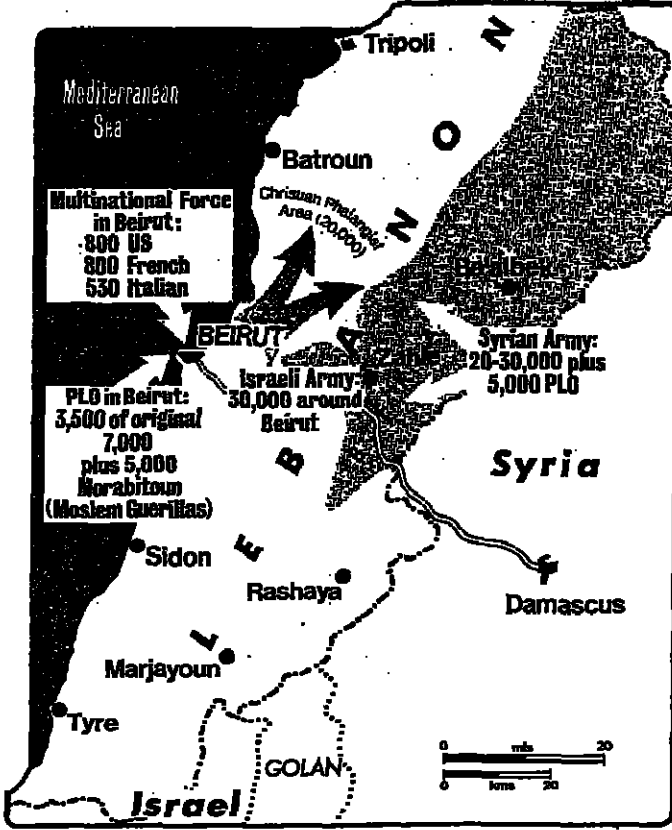
compound, Mr Salah Khalf, the PLO security chief, better known as Abu Iyad said the assembly centre has moved from the municipal stadium to its new position to reduce the level of gunfire salutes.

Lt Col Robert Johnston of the U.S. marines said commanders of the American contingent had correct contact with the PLO leadership "on Wednesday and meeting was arranged to make sure there was no shooting once the guerrillas reach the port area."

"We have clearly defined boundaries and they (the guerrillas) co-operated and we had no problems," Lt Col Johnston said.

Lebanese police said nine civilians have been killed and 27 wounded in farewell fusillades staged daily by left-wing Lebanese militiamen for their departing comrades-in-arms since the evacuation began on Saturday.

Folded said five people were also killed and 19 wounded since Monday in wild shooting sprees, celebrating the election of 34-year-old Christian militia commander Mr Bashir Gemayel as Lebanon's next President, in Christian-populated East Beirut. AP



Israel in Soviet overture

TEL AVIV — Mr Yitzhak Shamir, Israeli Foreign Minister, has invited the Soviet Union to restore diplomatic relations with Israel, Israeli radio reported yesterday.

Mr Shamir said: "Israel is not interested in poor relations with any State, including the Soviet Union. But the initiative must come from it."

If it wants to restore relations then it should take the initiative."

Soviet-Israeli relations were severed in 1967 after the Six Day War.

Mr Shamir also said Israel would withdraw from Lebanon "as soon as all Syrian forces had gone." AP

Patrick Cockburn, in Jerusalem, assesses the mood on the West Bank

Defiant Palestinians fear for future

"WEST BANKERS are in a state of shock," said a diplomat in Jerusalem this week, "they haven't really got over what happened in Lebanon." The 1.1m Palestinians on the West Bank and in Gaza are still unclear how the departure of the Palestinian Liberation Organisation from West Beirut will affect them.

The mood of the West Bank is important because a greater measure of autonomy for the Palestinians living in areas captured by Israel in 1967 is likely to be at the centre of the new peace initiative promised by Washington.

There is, however, little optimism among Palestinians that U.S. proposals will really change very much. Mr Elias Freij, the mayor of Bethlehem and one of the few municipal leaders not dismissed by the Israelis, says that he is "sceptical" about the U.S. initiative.

Palestinians, much like Israelis, are still unclear in their own minds about the eventual political fall-out of the war in Lebanon. "The PLO's prestige is higher than ever, though its political organisation is very limited," says a diplomat in close contact with local feelings. West Bankers express pride that for the first time since 1948 it is the Palestinians who have fought the Israeli army and not some Arab régime.

The obverse of this is a deep

bitterness against the Arab régimes for failing to give any support to the PLO in Lebanon. "I no longer call myself an Arab, but only a Palestinian," said a PLO supporter in East Jerusalem. "I cannot bear to listen to any Arab leader, progressive or reactionary, speak on the radio. Arab nationalism is dead. They all betrayed us."

But, aside from expressions of defiance, Palestinian leaders view the future sombrely. There is no sign of any flexibility on the part of Mr Menahem Begin's government over autonomy, which it is only prepared to examine within the narrow confines of its own interpretation of the Camp David accords. For Mr Begin the West Bank is Judea and Samaria, parts of the historic land of Israel, whose retention is an ideological commitment not to be compromised.

Already this year nine mayors have been dismissed by the Israeli authorities, the last being Mr Rashid Shawwa, the extremely moderate mayor of Gaza. Mr Karim Khalaf, dismissed as mayor of Ramallah and exiled to Jericho for the last five months, points to changes in U.S. and European attitudes towards the Palestinians since the invasion of Lebanon started. But behind the defiance there is a weariness, almost a hopelessness, that anything will improve.

Israeli Foreign Minister, says that now is the time to resume negotiations on autonomy. He suggests that democratic elections will be held for the establishment of an administrative council in the occupied territories.

This, however, appears to be an effort primarily to deflect the U.S. from any radical proposals on autonomy, say diplomats. An administrative council will not affect the basic issue of sovereignty.

New Israeli settlements have continued to be established since the start of the 1967 war. There are at least 24,000 settlers on the West Bank and the Government makes no secret of its desire to increase their number. In the Jordan valley plain north of Jericho 50 per cent of the arable land is now held by Israeli settlers, says a Palestinian agricultural expert.

The prolonged stalling on the West Bank in the spring of this year seems to have made little impact on the Israeli authorities. The effort to replace the municipal leadership elected during the 1970s with more malleable Palestinians continues, but without much success. The Village Leagues, set up by Mr Menahem Milsom, the West Bank administrator, have established little credibility and are often discredited locally by the recruitment of a petty criminal fringe. Nevertheless many municipal

functions are now discharged by Village Leagues, whose members are armed by the Government. In Battir village outside Bethlehem, for instance, local people were unable to get permits to cross into Jordan because they had refused to join the Village League. In another village nobody was able to register the birth of children for the same reason.

The official Government claim is that, with the departure of the PLO from Beirut, local Palestinians will, free from intimidation, be more willing to co-operate with the authorities. This is discounted by diplomats who say that the PLO is stronger than before and, in any case, moderate Palestinian leaders who might be persuaded to be more accommodating are being offered nothing in return.

Unfortunately for Washington, President Ronald Reagan's highly publicised success in ending the bombardment of Beirut by expressing his outrage on the phone to Mr Begin has created somewhat exaggerated notions about the extent of U.S. influence on the Israeli Government. The bombardment of Beirut was a tactical matter. For Mr Begin the West Bank is a wholly different issue of principle on which he cannot, and will not, compromise.

Japan in move to solve textbook row

BY RICHARD HANSON IN TOKYO

THE Japanese Government yesterday offered assurances of its commitment to "peaceful nation building" in an attempt to resolve a bitter diplomatic dispute with China and South Korea over revisions made in Japanese history textbooks.

Tokyo did not, however, offer to make immediate changes to revisions in passages describing Japanese behaviour before and during World War Two. China and South Korea have demanded such alteration.

The Ministry of Education, which oversees the writing of school books, went only so far as to commit itself to bringing forward the next review of the textbooks in question, by one year, to 1985.

In the meantime, the Education Ministry will issue a decree to all schools to assure that the "spirit" of Japan as a peaceful nation is conveyed in classrooms.

The textbook issue exploded as a diplomatic problem after it was reported that the Education Ministry had "advised" changes in the textbooks which tend to put Japanese acts in a less critical light. The Japanese invasion of northern China "was made to reach 'advance'."

Similarly, a description of Korean labourers being forcibly sent to Japan was changed to read "mobilised."

The fury created in China has led to the most serious crisis in bilateral relations since friendly relations were reinstated 10 years ago. Japan is understandably anxious to resolve the problem before the Prime Minister, Mr Zenko Suzuki, travels to China late next month on a state visit.

Finding a solution to the

problem, however, has been made difficult by divisions within the Japanese Government and the ruling Liberal Democratic Party (LDP). The Education Ministry has resisted any attempts to tamper with its textbook approval system, with the support of many conservatives in the LDP. Yesterday's statement by Mr Kiichi Miyazawa, the Chief Cabinet Secretary, was therefore kept fairly low key and, as one official put it, "abstract."

Mr Miyazawa repeated assurances that the Japanese Government is fully aware of what Japan did so often during the war. The Government position of repenting those actions should "obviously be respected in Japanese education and textbook formalisation," he said.

Japan formally apologised and repented its past actions in China in a 1972 joint communiqué restoring diplomatic relations.

There has so far been no official reaction to the statement from China or South Korea.

The Japanese Defence Agency has drawn up a 2.8 trillion yen (million million) yen (£6.29bn) budget proposal for fiscal 1983 that would amount to a 7.346 per cent increase over the budget for 1982, AP reports from Tokyo.

The request, to be submitted to the Finance Ministry for evaluation, covers the first year of a recently proposed five-year plan for military procurements. It calls for expenditure totalling ¥1.57 trillion for arms, equipment, maintenance and research, and development. Eisuke Tsuruta, Defence Agency spokesman, said,

compared with over 40m at a peak in 1973. The shutdowns will not involve any lay-offs because employees will be moved to other sectors.

The steel industry has been squeezed by both sluggish demand in the domestic market and in key overseas markets, forcing companies to economise and cut production. The latest closures will mean that by next year, Japan will be operating only 40 of the 65 it has built.

The furnaces being closed, however, are the smaller and therefore less efficient ones. Despite the recession, the industry plans to spend a huge amount this year on new plant and equipment. Nippon Steel says that it may cut back on an original plan to invest ¥310bn (697m) on a construction basis. But that figure is already ¥90bn higher than spending in 1981.

IF WE LET YOU HAVE ONE ON TEST, YOU PROBABLY WON'T LET US HAVE IT BACK.

To prove our point, we're prepared to let you have a free demonstration on any one of the wide range of exceptionally reliable, low cost Datsun Forklift trucks.

FREE ON-SITE DEMO

Just tell us where, and when, and we'll deliver a Datsun Forklift truck to your door.

Not only that, but we'll leave it there for you to test, totally free, on site, and under your normal operating conditions.

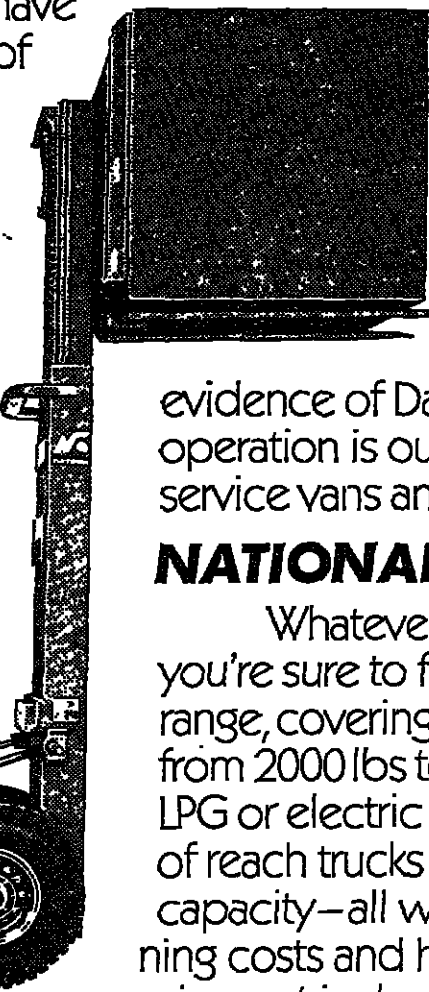
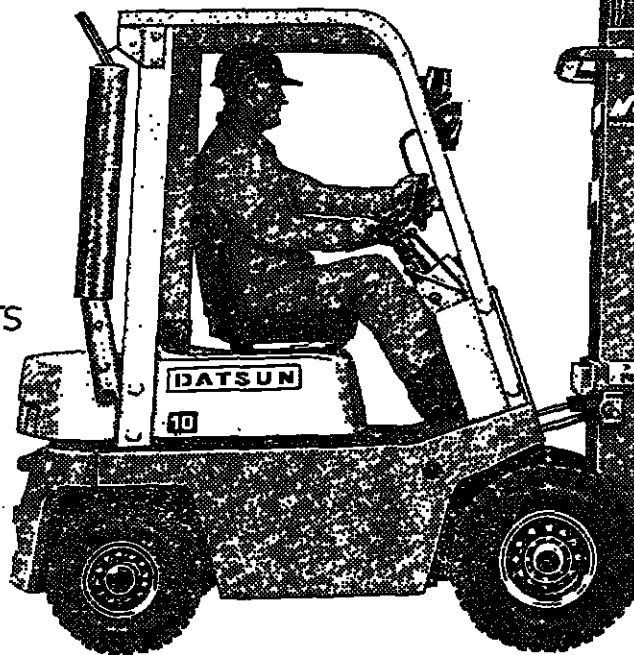
Do so, and you'll soon see why most prospective purchasers who try a Datsun Forklift truck, buy one.

Maybe it's because of our remarkable reputation for reliability, or because when you buy, rent or lease a Datsun you benefit from the resources of the World's third largest vehicle manufacturer.

COMPUTERISED PARTS SERVICE

Our back-up services are some of the most technologically advanced you'll find anywhere. For instance, the Datsun link-line—by using a portable terminal through any telephone, a Datsun Dealer or service engineer can key in direct to our Head Office computer. This way parts availability information and delivery requests are dealt with instantly.

All requests for parts received by 12.30 p.m. are despatched the same day



for immediate delivery anywhere in the country.

DATSUN GUARANTEE

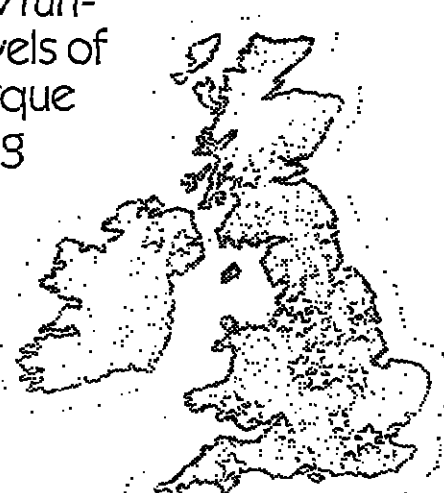
Datsun Forklifts carry a manufacturer's warranty covering parts and labour for up to 2 years. Further

evidence of Datsun's massive back-up operation is our comprehensive fleet of service vans and fully trained engineers.

NATIONAL DEALER NETWORK

Whatever you're looking for in a forklift, you're sure to find it in the wide Datsun range, covering a whole choice of models from 2000 lbs to 9000 lbs with diesel, petrol, LPG or electric options, plus our new range of reach trucks from 2000-3500 lbs lifting capacity—all with low running costs and high levels of equipment including torque converters and power steering as standard—and all available for purchase or on a comprehensive rental and leasing scheme from any one of our 28-strong nationwide dealer network.

Find out for yourself why people are so reluctant to return a Datsun once they've had one on test, by simply filling in the coupon.



Please contact me to arrange my free Datsun Forklift demonstration.

Please send me further information on the following Datsun Forklift Trucks.

Electric 2000lb to 6000lb

LPG 2000lb to 9000lb

Diesel 2000lb to 9000lb

Reach and Pallet trucks

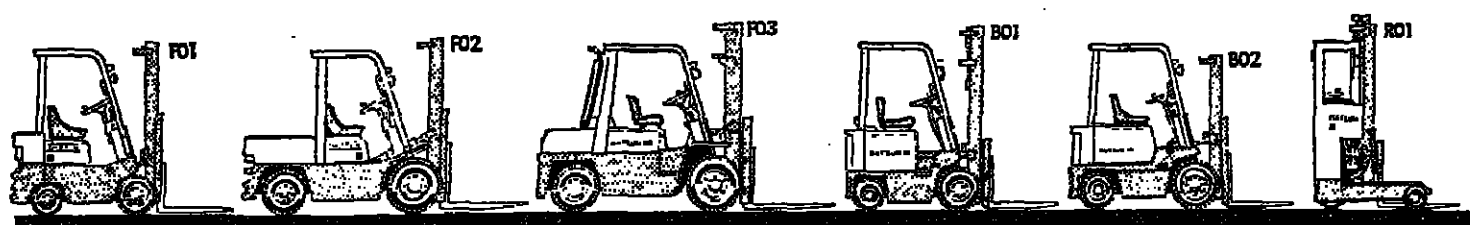
Name _____

Company _____

Address _____

Telephone _____

FT/1



DATSUN PLANT & INDUSTRIAL MACHINERY LTD., NEW ROAD, WORTHING, SUSSEX. TEL. WORTHING (0903) 68561.

AMERICAN NEWS

Mexico calls for support over banking system

BY WILLIAM CHISLETT IN MEXICO CITY

MEXICAN Government has strongly urged its 300 foreign bank creditors not to call in their lines of credit with private Mexican banks...

Kentucky reins in its mint juleps

By Our U.S. Editor in Washington

DEMOCRATIC Governor John Y. Brown of Kentucky has somewhat belatedly discovered what South African apartheid is all about...

World Bank optimistic over Third World's resilience

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

—REGINALD DALE, U.S. EDITOR IN WASHINGTON DESPITE continuing world recession, the World Bank finds "some reasons for optimism on the economic scene" in its annual report published today...

Mexico's 7.5 per cent 1981 combined current account deficit of the developing countries. Towards the end of 1980, however, this relative slowdown began to reverse itself...

THE International Monetary Fund has prepared private forecasts for next month's annual meeting in Toronto suggesting that real growth in the industrial countries will only reach about 0.3 per cent this year...

IMF forecast gloomy 1981 and the 1.3 per cent rise in 1980. The fund's forecast for the U.S. is considerably more pessimistic than the Reagan Administration's official estimate...

Chile counters unemployment with works plan AUGUSTO PINOCHET'S military regime has announced a massive public works plan at a monthly cost of roughly \$2.5m...

Pledge on Argentina's economy

BY JIMMY BURNS IN BUENOS AIRES

ARGENTINA'S new Economy Minister, Sr Jorge Wehbe, has promised that there will be no "abrupt changes" in economic policy...

Within the armed forces, nationalist elements opposed to a more conciliatory attitude towards Britain over the issue of economic sanctions are believed to have gathered strength with the resignation on Tuesday of Sr Wehbe's predecessor, Sr Dagnino Pastore...

Escalating terrorism poses dilemma for Peru President Belaunde said: "Society ought to apply the proper proceedings against those who sentence people to death and execute them..."

Chile counters unemployment with works plan AUGUSTO PINOCHET'S military regime has announced a massive public works plan at a monthly cost of roughly \$2.5m...

Chile counters unemployment with works plan AUGUSTO PINOCHET'S military regime has announced a massive public works plan at a monthly cost of roughly \$2.5m...

Canada foreign investment rethink call

By Victor Mackie in Ottawa

CANADA'S provincial premiers are launching an attack on the federal Government's restrictive policy towards foreign investment in Canada...

Doreen Gillespie in Lima reports on pressures behind the two-year-old democracy's state of emergency

Escalating terrorism poses dilemma for Peru

THE Peruvian Government has criticised international news coverage of the country's recent terrorist activity and police arrests. A week ago the Government declared a state of emergency in the capital, Lima...

President Belaunde said: "Society ought to apply the proper proceedings against those who sentence people to death and execute them..."

Escalating terrorism poses dilemma for Peru President Belaunde said: "Society ought to apply the proper proceedings against those who sentence people to death and execute them..."

Escalating terrorism poses dilemma for Peru President Belaunde said: "Society ought to apply the proper proceedings against those who sentence people to death and execute them..."

Escalating terrorism poses dilemma for Peru President Belaunde said: "Society ought to apply the proper proceedings against those who sentence people to death and execute them..."

Escalating terrorism poses dilemma for Peru President Belaunde said: "Society ought to apply the proper proceedings against those who sentence people to death and execute them..."

Escalating terrorism poses dilemma for Peru President Belaunde said: "Society ought to apply the proper proceedings against those who sentence people to death and execute them..."

WORLD TRADE NEWS

John Brown to load Soviet pipeline turbines next week

BY MARK MEREDITH, SCOTTISH CORRESPONDENT

JOHN BROWN Engineering of Glasgow will feel some relief when the first of its turbines for the Soviet gas pipeline are loaded at Glasgow docks next week...



Compressors intended to be used on the trans-Siberian gas pipeline are loaded aboard the cargo ship Borodine in La Havre harbour.

Another Soviet freighter, the Borodine, yesterday departed from the French port of La Havre after loading three gas compressors supplied by Dresser Industries, the French subsidiary of the U.S. company...

As with Dresser, John Brown is caught between the U.S. order and its own government's directives ordering it to comply with the Soviet contract...

Fluor Corp. subsidiary wins Dubai contract

A SUBSIDIARY of Fluor Corporation has been awarded a \$200m (\$117m) contract by Arco Dubai for the first phase of an oil and gas processing facility at Arco's Margham field in Dubai, United Arab Emirates...

The Southern California division of Fluor Engineers will perform engineering and procurement services. The projects first phase includes a gathering system and treating facilities for 20,000 barrels a day of oil and 250m standard cu ft a day (SCFD) of associated gas...

Whereas the turbines for the Soviet Union are the Frame V model, its contracts for Oman and Abu Dhabi, Iraq and Papua, New Guinea are for Frame 6 and Frame 9 models for power stations which use different rotors, according to the company.

Taiwan crack-down on counterfeits

AMENDMENTS TO Taiwan's trademark law, which would raise the maximum penalty for manufacturing counterfeit products to five years in prison, are likely to be passed by the end of the year...

Estimates of the value of counterfeit products made in Taiwan are impossible to come by. But British manufacturers believe they may be losing £100m a year, especially in Third World markets, as a result...

Also, the courts were instructed to hand down maximum prison sentences that could not be commuted to fines. These measures have had some effect...

The flow of counterfeit goods appears to have declined but there remains a strong core of producers who operate underground and smuggle their goods out of the country...

EEC cautious on steel ruling

BRUSSELS—EEC officials yesterday reacted cautiously to a ruling by the U.S. Commerce Department that six European countries unfairly subsidised carbon steel exports to the U.S...

The department found that steel imports from Britain, Belgium, France and Italy were most heavily subsidised with subsidies below 2 per cent applied to some steel from West Germany and Luxembourg...

Expected Community officials, who said the ruling had been expected, noted approvingly that the U.S. Commerce Secretary, Mr Malcolm Baldrige, had again advised U.S. industry to accept a Community programme of steel export restraints...

Iran turbine deal

AEG-Kanis GmbH, a turbine manufacturing unit of West Germany's troubled AEG-Telefunken AG, has received a DM 65m (\$14m) order from Iran, AP-DJ reports from Essen. The company said Tavariz, Iran's state energy production and distribution company, placed an order for delivery next year of four gas-turbine power generating units...

Swiss engineering orders fall to record low

BY JOHN WICKS IN ZURICH

THE WORLD RECESSION is weighing heavily on the Swiss engineering industry, whose order volumes, two thirds of which are exported, have fallen to the lowest point in recent memory...

Saudis award £75m order to Indian consortium

RIYADH—The Indian Overseas Construction Consortium (IOCC) has won an SR 450m (£75m) contract to build 970 villas for the Saudi interior security forces in Tabuk...

The two-year contract signed recently between the Saudi Interior Ministry and the consortium includes construction of schools, three hospitals, a health centre, a mosque and a utility building...

Handwritten signature or scribble at the bottom of the page.

BT moves on line for privatisation

Guy de Jonquieres examines how British Telecom's results could affect its future

BRITISH TELECOM has weathered with some panache the first phase of the Government's programme to remove its monopoly.

Its record 1981-82 profit of £437.8m is a dramatic improvement over the previous year, when its poor performance earned a public rebuke from the Industry Department.

The results would have looked better still if BT had not written off costs of £127m against income in a change of accounting policy. Nonetheless, it exceeded handsomely the Treasury's financial target, which it last met in 1979, though the precise margin is disputed by the Government.

The results—achieved during the recession, which has caused its business to grow more slowly than planned—prompt some modest self-congratulation in BT's report and accounts. With an eye to the Government's plans to privatise BT, Sir George Jefferson, its chairman, comments: "The level of profits is broadly in line with that necessary to ensure a sound trading position."

But the figures will probably be interpreted in a less charitable light by subscribers, who have borne a 45 per cent rise in tariffs since 1980 and face a further 3.3 per cent rise in November.

Higher tariffs accounted for £256m of the £437.8m increase in profit before special charges. BT hopes to keep future tariff rises below the inflation rate but it warns that its recent policy of aligning its charges more closely with costs will mean that charges for residential customers will continue to rise more rapidly than those for business customers.

BT argues, with considerable justification, that it must finance its investment spending mainly out of higher tariffs

while the Government continues to curb its borrowing. It seems to have overdone the argument last year, however. It failed to achieve its planned investment of almost £2bn and, as a result, used only £250m of its £380m external financing limit (EFL). It had originally asked for an EFL of £500m.

Nor are BT's customers likely to be impressed much by some of its claims to have improved efficiency. For instance, under the heading Staff Contribution, Sir George singles out for special praise a "dramatic reduction" in the national waiting list from 122,000 to 20,000 during the year.

However, closer inspection of the annual report reveals that the list is of would-be subscribers to whom BT is unable to provide service in less than two months. Some appear to have voted with their feet—demands for new exchange lines fell last year by 165,000, almost 11 per cent.

Nonetheless, under the spur of prospective competition, BT has sought to tackle a number of the weaknesses for which it has been widely criticised in past years.

Since he became chairman in 1980, Sir George has instituted a major internal re-organisation designed to break down BT's monolithic and centralised management structure.

A major priority has been to re-organise its main operations into independent profit centres. Public telecommunications activities

have been reshaped and a new division has been formed to handle the supply of subscriber equipment and services on the newly competitive market.

Sir George has also declared his determination to get to grips with costs. He has imposed a recruitment freeze and called for a 25 per cent increase in productivity over three years. Last year, real unit costs were reduced by 2.1 per cent and Sir George argues that the full benefits will only start to show towards the end of the three-year programme.

He and his senior managers are widely praised in the industry for their competence and energy but doubts persist about how long it will take for what Sir George calls the new spirit of enterprise to filter down through the rest of the organisation's 246,000 staff. In spite of the new regime, there seems to have been little reduction in the volume of customer complaints about delays and poor service.

Sir George makes it clear that he would have liked longer to adjust to liberalisation before having to cope with the consequences of the Government's plan to sell 51 per cent of BT to private investors. He also expresses concern that the rules under which a privatised BT will have to operate have been left imprecise.

The Government proposes to introduce broad enabling legislation for the share sale next

HIGHLIGHTS FROM B TELECOM RESULTS (in £m)

	1980/81	1981/82
	(restated)	
Turnover	4,554.2	5,708.1
Operating costs	3,891.6	4,701.6
Net interest		
payable	538.7	548.7
profit	723.9	457.8
Net fixed assets at:		
historical cost	7,067.1	7,901.3
employed	14,574.6	15,285.4

autumn, though the sale would not be held until after the next general election. The legislation would provide for some measures to be taken before the election—notably the creation of an Office of Telecommunications to monitor the market—but many details are still unclear.

High among the uncertainties is how BT's tariffs would be set after privatisation. Supposedly, the organisation would be free to fix its own charges, subject to the approval of the Office of Telecommunications. However, the exact mechanism and the type of yardstick which the office would use to judge suitable rates of return, have not been spelled out.

That is a point on which prospective investors in BT will want definite answers. So, too, does BT. While the issue remains confused, last year's results can shed little useful light on what kind of financial performance future purchasers of shares in BT would be entitled to expect.

Fire damage claims up 22% so far this year

By Eric Short

THE FIRE at the Civil Service Store in the Strand, central London last month cost £13.4m, the largest fire damage claim since the £31m fire at Alexandra Palace two years ago, according to the British Insurance Association.

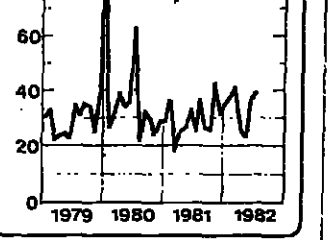
The fire accounted for over one third of the total fire damage cost for July, which was £39.7m—£3.5m higher than June, and £15m higher than July last year.

This brought total fire damage costs for the first seven months of 1982 to £337.2m, which is 22 per cent higher than the £193.4m damage for the corresponding last year.

Damage in two other large fires last month exceeded £1m each. A fire at a catering equipment manufacturer in North West England cost £1.5m, and a warehouse in South East England cost £1.1m.

It is no secret that the BTA views the British habit of holidaying overseas with considerable alarm.

No sooner had Sir Henry



Faulty foreign plugs warning

Faulty electric plugs from India and Hong Kong may be a fire risk, Mr John Heddie, Tory MP for Lichfield and Tamworth, warned yesterday.

He is calling for a Government inquiry into sales of 13 amp plugs with markings Flora or Flora BS 1363 made in India, and numbers R5387 and R5388 with a bat symbol or 1350 with a bird symbol made in Hong Kong.

'Stay in Britain' campaign starts row between tourism authorities

By Arthur Sandles

A MAJOR disagreement has arisen between Sir Henry Marking, chairman of the British Tourist Authority, and Mr Michael Montague, chairman of the English Tourist Board, over the BTA's wish to run a Stay in Britain campaign.

Behind the row lies the fact that Mr Iain Sproat, the Trade Minister responsible for tourism, is conducting a review of tourism in Britain. Tourist boards and the BTA itself feel themselves under threat.

There was a hint of the argument in public yesterday when Sir Henry told a Press conference that although the BTA had powers to market tourism both in Britain and abroad, it had agreed in 1972 not to do so, leaving the domestic role largely to the English, Scottish and Welsh boards.

He said the Minister "might wish to examine" that position—a thinly disguised reiteration of the BTA view that what it has done abroad successfully it can do in Britain too.

It is no secret that the BTA views the British habit of holidaying overseas with considerable alarm.

No sooner had Sir Henry

made his point than Mr Montague reminded Sir Henry that allowing the BTA to operate in the UK was not a plan entirely supported in the industry (Mr Montague, like other tourist board chairmen, sits on the BTA board).

He said that if the BTA were allowed to operate in the UK it would increase the present overlap and be "a waste of public money."

The BTA's annual report shows that foreign visitors spent a record £3,850m in the UK last year, some £100m more than in 1980.

The percentage rise in numbers was higher, up by 8 per cent to 11.5m. "This was disappointing," said Sir Henry, "but not disastrous. It was due almost entirely to the short visits from neighbouring European countries."

The report points to the considerable benefits of tourism to the economy, saying that it employs 1.5m people directly or indirectly.

Sir Henry made his usual plea for easier English licensing laws which, he said, came high

on the list of things that people disliked about Britain.

Other dislikes included the lack of public transport to historic houses, strikes, dirty trains and some London accommodation. Tourists likes included historic buildings and British tradition, the rail service, London theatres and the relative safety of the streets at night.

Sir Henry said the BTA would be consolidating its work with tourists from traditional regions and working hard on new ones, such as high spending tourists from Nigeria and business travellers.

Sir Henry had some cross words for Sir Michael Edwards and BL. He said he had discovered that BL had rewarded retailers in the Netherlands with free holidays in Tunisia. "I wrote to Sir Michael pointing out that if buying British was right for BL it was right for us too."

Sir Michael did not reply but, in Sir Henry's words, "passed the letter downwards" and the response was unsatisfactory. "I think that is disappointing when it comes to a company like BL."

French day trips boost travel

By Arthur Sandles

A MASSIVE rise in the number of British people taking day trips to France, and motoring in western Europe, has resulted in a big increase in the total number of Britons holidaying overseas.

The latest International Passenger Survey results, covering the year to June and published by the Department of Trade, show a 22 per cent rise in the number of Britons going abroad in June of this year compared with last.

The key figure is the 46 per cent increase in trips to other EEC countries. The department says that one of the key explanations for the increase in visits

to the European Community was a large rise in the number of cross channel sea journeys. It is thought that many of these were day trips and short stay visits.

Other sources have indicated that package tourism from the UK is down 5 or 6 per cent and there has been a considerable drop in the amount British people are prepared to spend on a holiday.

As the French franc has weakened and the dollar strengthened, France's tourist traffic has increased at the expense of the U.S.

Only half as many Britons visited North America in June this year as last, and visits to

countries outside Europe were down by a quarter.

This indicates a sharpening of the decline in more expensive holidaymaking since the year began. The six-month totals show a fall of 29 per cent to the U.S. and 5 per cent to non-European destinations.

Just over 1m overseas visitors came to Britain in June, much the same as last year. The number of visitors has risen 2 per cent in the first six months of this year.

Spending by foreigners is up by 14 per cent for the six-month period and the tourism account, while still £75m in deficit for the six months is slightly healthier than last year's £96m.

Borg Warner seeks job cuts at Kenfig

By Robin Reeves

BORG WARNER, the U.S.-owned automatic transmissions manufacturer, has invited workers at its only European transmissions plant at Kenfig Hill, South Wales, to apply for voluntary redundancy.

The company said the plant was operating profitably and its order book was holding up better than expected. But as it was seeking improved productivity, it was likely that the plant would need fewer employees next year.

Voluntary redundancies among the 1,200 workforce were a "painless way of preparing for any downturn next year."

Last March, Borg Warner abandoned a plan to invest £33m in the manufacture of a continuously variable transmission system at Kenfig. This project would have been in collaboration with Fiat and Van Doorne, but was dropped after Fiat had

second thoughts about the particular transmission proposed.

Borg Warner has since been seeking contracts which would enable the Welsh plant to supply components for alternative automatic transmission systems under consideration in the European motor industry. So far no firm deals have been arranged.

In the UK, BL has decided to replace the Borg Warner automatic transmission in its Rover

models with a General Motors system. The changeover was due to take place in June but has been delayed until at least next month, bringing Kenfig extra work.

Borg Warner is continuing to supply automatic transmissions for BL's Jaguar cars, and a better than expected demand for automatic Jaguars has helped to compensate for setbacks elsewhere.

Lucas plans short-time working

By Lorne Barling

LUCAS ELECTRICAL, the Midlands based vehicle component supplier, yesterday announced that it would introduce short-time working for some of its 12,000 employees as a result of BL lay-offs on Mini and Metro production.

"There will be a requirement for some short-time working in selected product areas," the company said. It would give no estimate on how many workers there would affect. Details were being worked out on a site-by-site basis at 13 plants, it said.

It is understood that this will lead to a four-day week at plants which are direct suppliers of finished products, such as alternators and starter motors, but with lesser effects at other factories.

Lucas said the measures were a direct result of the review of BL's production schedules, which have caused a three-week lay-off for 7,000 workers and also a consequence of the problems of other motor manufacturers.

The company would not speculate on the length of the

short-time working period, but said that most plants were likely to be affected.

Mr John Allen, district secretary of the Amalgamated Union of Engineering Workers, said his union would insist on its members accepting the short-time measures, since redundancies were the alternative.

"This supports the Confederation of British Industry's criticism of the Government over the state of the economy and the need to do something about it," he said.

Surveyors' societies may merge

By James McDonald

MEMBERS of the Royal Institution of Chartered Surveyors and the Institute of Quantity Surveyors are to vote on a merger of the two societies in October.

A joint committee which has been working on the proposal for the past year believes unification would benefit members of both bodies and help the construction industry.

It will be the second formal attempt to unite the two. In 1976 proposals were put to the memberships but were narrowly rejected.

The councils of the societies, recommending the proposal to their 50,000 members, say they are confident that the case for unification has been strengthened by developments in the construction industry, and that the scheme is likely to be endorsed by both societies. A document sent to members says: "The historical stumbling

block on training no longer exists, since the RICS modified its regulations (which are now in line with those of the IQS) enabling potential entrants to carry out their training wholly in a contractor's office."

In a joint statement yesterday the societies said: "Development in micro-technology are demanding changes in training and practice which can best be implemented by a strong and unified body."

A strengthened profession will also carry more weight in consultation with government and other public bodies, in persuading the construction industry of the value of quantity surveyors' services, and in maintaining high standards of service.

The document of proposals says that for many years the public has been confused by the different qualifications held by professionals offering a similar

service.

"This confusion is even more evident in those overseas countries where the quantity surveying profession is still relatively unknown. Unification will remove this confusion."

Under the proposals, all IQS members will join the RICS in equivalent grades. Allowing for duplicate membership, this will increase the number of qualified members of the RICS by about 5,800.

There are already 12,511 fellows and professional associate quantity surveyors in the RICS. IQS members would make this division the second biggest in the RICS after the general practice division.

If two-thirds of RICS members and 75 per cent of IQS members vote in favour of unification, approval will be sought from the Privy Council and the two bodies will merge next March.

Competition increases for health insurance sales

By Eric Short

THE PROVIDENT societies face another challenge to their dominance of medical insurance business with the announcement yesterday that the Multiple Health and Life Assurance Company is entering the field.

This follows Crown Life's decision a few weeks ago to enter the medical insurance market next year.

Provident associations, which do not have equity shareholders, flourished in the UK before the start of the National Health Service as the sole means of enabling the public to insure against the cost of medical treatment.

The survivors of these associations now provide almost all medical insurance facilities with three associations—British United Patients' Plan and Private Patients' Plan and Western Provident Association

—accounting for 98 per cent of medical insurance business transacted.

The established insurance companies, unlike their U.S. counterparts, have kept out of the market. But the growing demand for medical insurance, especially through company schemes, has encouraged some small insurance companies to compete for business.

Multiple Health and Life Assurance, formerly Charterhouse Magna Assurance, was recently acquired by the Wates Group, a building group. It intends to expand its operations in the life and sickness fields.

The company is aiming at the group sector of the medical insurance market, offering comprehensive private care through a restricted private cover scheme and a hospital cash plan.

Pilkington to expand Welsh plant

By Robin Reeves

PILKINGTON PE, the electro-optics subsidiary of the Pilkington glass group, yesterday announced the first phase of a multi-million pound expansion at its St. Asaph factory in north Wales to meet increased demand for military avionics optical systems and night vision goggles.

The company has received a £350,000 grant from the Welsh Office towards the cost. The new facilities will be used to manufacture the optics block for Marconi's avionics system, which has been developed for the new generation U.S. F-16 Falcon fighter aircraft, and Ferranti's moving map system, which is being fitted to the new U.S. naval aircraft, the F-18 Hornet.

Production of Pilkington's image-intensified, head-mounted night vision goggles will also be expanded.

DAIICHI KANGYO BANK

DKB ECONOMIC REPORT

August 1982: Vol. 11, No. 8

Japan's industrial production continues to lose momentum as exports keep declining

As the economies of the U.S. and other industrialized countries of the West continue in the doldrums, corporate results there are deteriorating, with unemployment and protectionist moves worsening. Japan's exports under the circumstances continue to decline, and in the absence of a strong pull of domestic demand, the shadow of stagnation appears darkening.

In July, there were two major developments in the U.S. economy — a cut in the discount rate and the announcement of the second quarter GNP gain. But they have had no significant dent on the Japanese economy.

The Federal Reserve Board's 0.5 per cent slash of the discount rate to 11.5 per cent on July 20, accompanied by cuts in commercial banks' lending rates, pushed up the yen rate to less than 250 against the U.S. dollar momentarily. The turnaround, however, has not led to the rise in the Japanese currency we had hoped for.

Recovery because the prospect is for U.S. long-term interest rates to remain resistant to any significant drop in the future due to high risk premiums that reflect deteriorating corporate results.

The Commerce Department reported on July 21 that the second quarter GNP rose by a seasonally-adjusted annual rate of 1.7 per cent after two periods of decline. Since the gain was primarily brought about by a sharp reduction in the pace of decrease in inventory investment, it was not taken as indicating a genuine recovery of the U.S. economy. Should it turn upward in the future, the recovery will be very moderate or short-lived because interest rates look likely to remain at a high level due to massive budget deficits.

Prolonged stagnation of the economies coupled with persistent high interest rates are beginning to seriously affect corporate performances in the U.S. and other Western countries.

Deteriorating corporate performances in those countries are aggravating unemployment

further. Unemployment in the U.S. in June remained high at 9.5 per cent, while that in West Germany at the end of May soared to 7.5 per cent from the January-March average of 6.8 per cent. These trends, resulting in heightened social tensions, continue to adversely affect Japan's exports which have been on a downturn since last autumn.

Weakness in exports

Seasonally adjusted exports on a customs clearance basis peaked out last October and have since been on a clear downward trend. During the first 10 months of last year, exports went on a moderate downturn of an annual rate of 1.5 per cent or so, but thereafter, the downturn accelerated to an annual rate of 11 per cent or so.

Compared with a year earlier, exports (measured in dollar value) in June dropped 8.1 per cent, the fifth consecutive month of such a decline.

As a result, the value for the first six months of 1982 came out 3.8 per cent less than that of the corresponding period of 1981, the first such decline in six years and a half.

Slack domestic demand kept imports in June depressed — down 11.6 per cent from a year earlier. The total for the first half of the year was 2.3 per cent smaller than a year earlier.

The most striking thing about the first half trend of imports was a 14 per cent decline from a year earlier in crude and unrefined oil, which accounts for one-third of the total imports. Exclusive of crude oil imports during the period were almost unchanged from a year earlier.

Production cutbacks

In the midst of slowdown of exports and absence of stirrings of domestic demand recovery, industrial production is extremely sluggish in Japan. Mining and manufacturing production in May dropped 1.7 per cent from the prior month in a continuous month-to-month decline since last November, with the exception of March. The month's production index stood at only 1.3 per cent above a year earlier. In the meantime, the producers'

Policy dilemma

The Ministry of Finance in fiscal 1981, ended last March 31, turned out to be a massive ¥2,880 billion short of the budget after the supplementation toward the end of last year. The largest shortfall in history of the Japanese Treasury occurred as a result of far smaller receipts of corporate, income and commodity taxes than anticipated.

As for fiscal 1982, revenues are expected to fall short of the budget by close to ¥6 trillion more than the Government's projection of a 5.2 per cent real growth in the economy is almost impossible to achieve.

Such a prospect leads to a fear of a massive amount of additional bond issues and that already has sharply pushed up the yield on government bonds on the secondary market. As of July 22, the yield on the 7.75 per cent interest-bearing bonds shot up to 8.29 per cent.

This compared with a yield of 7.21 per cent on new issues with a coupon rate of 7.5 per cent. As a result, the syndicate of underwriters of government bonds refused to underwrite issues scheduled for July, forcing the Government to give them up in the month. This means that terms of issues scheduled for August cannot be revised, and the long-term prime lending rate will also be raised as a consequence.

In view of the necessity to shore up business, the Government will be inclined to get around a discount rate raise, but indications are that it is becoming impossible to limit interest rate increases to a range that can leave the discount rate unaffected.

Stable trend of prices

Wholesale prices are showing remarkable stability. Their advance in June was a marginal 0.2 per cent from May and 1.1 per cent from a year earlier. Although basic and raw materials marked a gain of 2 per cent from May because of the weakening of the yen, intermediate products registered a continuous decline of 0.4 per cent and finished products also declined 0.1 per cent.

Consumer prices are equally stable. Their level in June in the 23 wards of Tokyo was 0.1 per cent higher than in May and 2.5 per cent than a year earlier.

Recovery of personal consumption

Business capital investment generally is continuing sluggish, with the exception of the semiconductor industry where plans for capital outlays are being revised upward.

As factors for the weakness in capital investment are cited: 1) low operating rate of production facilities; 2) gloomy outlook for corporate earnings; 3) high opportunity cost for capital investment owing to high interest rates; and 4) uncertainties over future outlook of business.

Orders for machinery, a

Recent Trends in Export and Producers' Inventory

leading indicator of capital investment, rose in May 4.8 per cent from April, but the average for April and May was up only 4.5 per cent over that for January through March, basically indicating a zigzag trend.

Housing investment continued depressed. Housing starts in May were 22 per cent less than in the corresponding month of last year.

By contrast, some encouraging signs have emerged in the outlook of personal consumption. Sales at big retail outlets in May rose 7.1 per cent from a year earlier, while new car registrations in June were up 17 per cent from the like 1981 month. According to the Prime Minister's Office's survey, consumption expenditures by households of all categories registered an inflation-adjusted increase of 8.9 per cent in May over a year earlier. Household consumption registered an average 2.3 per cent increase during January through May over a year earlier.

Orders for machinery, a

Talk it over with DKB. The international bank that listens.

We have your interests at heart.

DAIICHI KANGYO BANK

The next DKB monthly report will appear Sept. 28.

UK NEWS

LLOYD'S OF LONDON 1979 UNDERWRITING ACCOUNT

High interest rates disguise mixed results

BY JOHN MOORE, CITY CORRESPONDENT

LLOYD'S of London yesterday reported its results for its 1979 underwriting account, the latest for which figures are available. The figures show a £172m profit, virtually unchanged from the 1978 underwriting account. A year ago, it was predicted that things would be a lot worse. Lloyd's leaves its insurance accounts open for three years so that insurance claims on its policies may be matched to the year in which the policy was arranged at Lloyd's. Lloyd's argues that this form of accounting presents a more accurate picture, since insurance claims take time to materialise. Lloyd's, like all insurers, has been supported in its operations by the historically high level of interest rates. The net cash generated after expenses on Lloyd's £2.8bn of premium income produced investment income of over £106m, 75 per cent of Lloyd's overall profitability. In the previous underwriting account, investment

Table with 3 columns: Category, Premiums £, Claims £, Profit £. Rows include Marine, Aviation, Non-marine, Motor, Short-term life, and Total.

income amounted to £76m. The real underwriting trend, revealed in the difference between premiums and claims at Lloyd's, is mixed. The underwriting profitability of the marine market declined in the teeth of competition caused by insurers chasing business which is not growing at the same rate as available capacity. Underwriting profits fell from £88.3m to £27.4m. Even so, Lloyd's has managed to turn

for market share by Lloyd's underwriters over the last few years continues to take its toll, and it has affected the market more than aviation losses. Safety records have improved. Last year, 12 aircraft were lost but the situation has worsened. In the current underwriting account, 50 per cent up on last year, and 1982 could produce the largest ever accumulated loss on the aviation hull account. In the general lines of insurance business—such as fire, damage to property, and theft, which is known as the non-marine market—Lloyd's underwriters have experienced a sharp turnaround from a £20m profit to a £15.7m loss, although investment income is helping the market show an overall profit. Asbestos claims loom large in the current underwriting account, although Lloyd's is hoping that the volume of likely claims has peaked. In motor insurance, under-

Shell Chemicals to axe 625 jobs

By Sue Cameron

Shell Chemicals UK is to axe 625 jobs—one-third of the workforce—at its Carrington petrochemicals complex in Cheshire. The move is part of Shell's attempt to stem substantial losses in its UK chemical operations. Last year Shell Chemical UK lost £45m—much of this attributable to the Carrington complex. Losses this year are expected to be similar. It is estimated that the planned reduction in the Carrington workforce could eventually save as much as £10m a year. Initially, the savings will be offset by the cost of redundancy payments. Last night, however, Shell refused to say how much the redundancies would cost. In spite of the reductions in manning, no chemical plants at the Carrington site are to be shut at present. Shell's employees, however, have been warned that studies into the viability of Carrington were continuing. They were also told that any future decision to close chemical plants at the complex would mean more job losses. Shell said that redundancies would be on a voluntary basis "as far as possible". It added that 100 people at the site had already volunteered to go.

Labour conference agenda indicates row over Militants

BY MARGARET VAN HATTEN, POLITICAL CORRESPONDENT

INDICATIONS of the row over the Militant Tendency expected to erupt at next month's Labour Party conference emerged yesterday with the publication of the conference agenda. Of the 29 resolutions referring directly or indirectly to the party's attempts to discipline the Militants and the parallel struggle over the Bermondsey Labour Party's attempt to select Mr Peter Tatchell as its Parliamentary candidate, only two openly support the party leadership and the National Executive Committee. Left-wingers, however, are already accusing the conference arrangements committee of attempting to steamroller the matter through conference by ruling out of order the number of proposals against the party. These amendments, drawn up by the Campaign for Labour Party Democracy (a left-wing fringe group) and circulated to all constituency parties, could have delayed action against the Militants for up to a year. The action would include the NEC's proposal to set up a register of groups permitted to operate within the party from which Militant, as presently constituted, would be excluded. The CLPD yesterday accused the committee of a "blatant political manoeuvre" designed to circumvent the "only real threat to the NEC's report". The amendment, it said, posed a positive alternative to the NEC's proposals and would have won a majority at conference. The left-right struggle is expected to erupt in the annual elections for positions on the NEC where the list of nominations shows representatives of the centre-left, such as Mr Neil

Cassette suppliers oppose levy

BY JASON CRISP

LEADING SUPPLIERS of blank audio and video cassette tapes in the UK have strongly opposed calls for a levy on tapes in evidence to the Government on the Green Paper on copyright law. A number of British electronic industry and the Musicians' Union, have been calling for a levy on blank tapes to compensate for revenue lost to record and film companies through home recording. The Tape Manufacturers Group representing BASF, 3M, Maxell, Memorex, Sony and TDK dispute claims by the industry that the record companies are losing £300m a year through home recording. The tape suppliers believe concern over video piracy could lead to the Government changing its mind on the levy. The suppliers believe home taping should be made legal. They support a strong crackdown on video pirates who record feature films to sell commercially. The Tape Manufacturers Group argues that the levy would be arbitrary as tapes are increasingly used in business. It also says that having paid for a record people often tape it to

preserve the quality or to listen to it in the car. The Government's Green Paper also rejected calls for a levy on tapes on a number of grounds including the ease of evasion, the difficulty of allocating the levy, the effect on prices and the arbitrary nature of the plan. Although the group rejected claims that record companies lost £300m through home recording, it was unwilling to make its own estimate of the losses. It also said that the sharp increase in the price of cassettes as a result of a levy would provide an even stronger incentive to Far Eastern counterfeiters, which are a considerable problem. Raymond Snoddy adds: Two of Britain's major retailers announced yesterday that they are getting out of video film hire and closing down their video-hire clubs. F. W. Woolworth will stop hiring video tapes at the end of this month and W. H. Smith will follow on October 1. Woolworth said yesterday the closure of the club, which has 10,000 members, was caused almost entirely by the activities of video pirates. Mr Paddy Toomey, records

and tapes buyer, said he believed the pirates were now the dominant force in the market. "Without the overhead of film rights and recording fees the illegally produced tapes can undercut legally produced tapes by 50 per cent or more in the hire charge," Mr Toomey said. Members of the club paid £1.99 to borrow a tape for 24 hours. Some pirates have been offering tapes for as little as 50p a night. Membership fees of £10 for the Woolworth club or deposits of £30 will be returned. W. H. Smith sent letters on Wednesday to its video club members telling them the club rental scheme would end on October 1. Out of 353 Smith's shops in the country, 105 sell pre-recorded video material and 78 were involved in the rental scheme which lasted a year. Mr Stewart Binie, merchandise controller for video software said yesterday: "The future sales growth 'are' was in pre-recorded and blank tapes. The company hopes to stock a wider range of educational video tapes and material for children in future."

New owners for Chicago Pizza Pie Factory

BY TIM DICKSON

THE CHICAGO Pizza Pie Factory, the London restaurant famed for its deep-dish pizza, Chicago memorabilia and an outspoken American manager Mr Bob Payton, yesterday acquired a new group of owners. Founded in 1977, the Chicago Pizza Pie Factory's holding company—called My Kinda Town—was owned 60 per cent by Norton Warburg Investments, which last year called in the receiver. Yesterday, however, the finishing touches were put to a deal whereby Mr Payton—who already controlled 40 per cent—and the APA Venture Capital Fund have put £500,000 to take the business of the receiver's hands. Under the terms, APA has agreed to pay £200,000 for a 25 per cent stake in My Kinda Town, while Mr Payton is getting together £100,000 for the other 35 per cent. The rest of the money will be loaned to My Kinda Town by Coutts Finance Company. The new arrangement ends a nine month search for a backer by Mr Payton. British banks,

he says, have turned down his plans time and again. "Banks in this country think restaurants are either Simpsons in the Strand or MacDonalds. They couldn't understand that our assets were a lot of satisfied customers and that our weekly cash flow is extremely healthy," he argues. Besides the Chicago Pizza Pie Factory, My Kinda Town owns the Chicago Rib Shack in Knightsbridge and a restaurant in Bath. Between them, sales total about £3m a year. Mr Ronald Cohen, managing director of the APA Fund, which is backed by several leading insurance companies and pension funds, said he had been "very impressed by the ability of Bob Payton to develop the theme restaurant." APA would, he added, be a substantial shareholder, which could provide funds for future growth. Payton's plans include bringing American-style catering to English public houses and to this end he is involved in discussions with a couple of breweries. He is also toying with the idea of a new London fish restaurant to be named Payton Plaice.

Councils meet over transport subsidies

LEADERS of the metropolitan county councils will meet today to plan their response to the Government's proposed legislation on transport subsidies, writes Hazel Daulty, Transport Correspondent. Mr Alex Waugh, chairman of the Transport Committee of the Association of Metropolitan Authorities, which has called the meeting, said yesterday that "it is quite clear that the AMA will oppose the Government's proposals." He described these as a "further attack on local democracy." The leaders of the Labour-controlled metropolitan county councils, including the Greater London Council, are expected to seek an early meeting with Mr David Howell, Transport Secretary. Mr Howell told the Commons just before the recess that he intended to bring in legislation early in the next session of parliament which would provide guidelines to be given to the authorities on the sort of subsidy the Government considers realistic for public transport.

General Motors prepares to put money into Bedford

BY JASON CRISP

GENERAL MOTORS is preparing to make a substantial investment in Bedford, its UK subsidiary, to enable it to play a full part in GM's reorganised worldwide truck and bus operations. "We will have to put money into Bedford. That is one of the things we want to talk to the people in the UK about over the next six months," said Mr Donald Atwood, GM vice president and group executive in charge of the truck and bus group. "We will have to make investments there or Bedford won't be viable. If we are to be truly competitive quality-wise over there we have got to spend some money to upgrade the Bedford facilities." Mr Atwood, promoted from GM's electrical division as part of the latest steps in the truck and bus reorganisation, insisted that Bedford would remain an organisation with its own engineering, manufacturing and sales and service operations and that

Kenneth Gooding in Pontiac, Michigan, reports on plans to upgrade British plants' facilities

the Bedford bodge would be retained. Starting next month, however, Bedford's engineering operations will be coordinated with those at the truck and bus division's new headquarters in Pontiac, north of Detroit. "Similarly with the manufacturing activity," said Mr Atwood, "Bedford's manufacturing will be coordinated with that in the States so that we can source components back and forth when we have commonality of design." This news will be greeted with some relief at Bedford, the Vauxhall subsidiary operating from Dunstable and Luton. After GM announced 14 months ago its intention to form its truck and bus organisation by bringing together the operations of GMC and Chevrolet in the

U.S., GM of Brazil and its 35 per cent-owned Japanese associate Isuzu, as well as Bedford, there was more than a suspicion in the UK industry that Bedford would play a very minor role and GM would promote Isuzu products instead. GM executives frequently criticised Bedford for its inability to meet demand when times were good in the truck industry. But Mr Atwood insisted: "There has been a great improvement at Bedford. There was a great turnaround under Ferdie Beckler (the former chief executive since promoted to run Opel, GM's subsidiary in Germany). I think Bedford is a responsive organisation now." It is clear that GM has decided against drawing Isuzu too closely into the new organi-

Investigation ordered into Manchester stockbroker

BY CHARLES BATCHELOR

THE Director of Public Prosecutions is to ask for a police investigation into the affairs of Manchester stockbroker Halliday, Simpson, which closed in July last year. A Stock Exchange investigation of the firm concluded that it had operated an "open account" for three years up to March 1981 designed to favour certain of its clients. Some fund managers booked orders through this account, passing profits to themselves, relatives or associates but booking losses direct to the institution, the Stock Exchange said. Any inquiry is going to be a

Small business Euro-voice

BY TIM DICKSON

MR BILL POETON, national spokesman for the Union of Independent Companies (UIC), has been nominated by the Prime Minister to serve on the economic and social committee of the European Parliament. A formal announcement is expected today. The four-year appointment is a significant honour for the UIC and a major boost for small and medium-sized companies. The committee, whose members are drawn from industry, trade unions and representative

Air traffic grows

AIR traffic continued to grow at the British Airports Authority's seven airports in July, with 4.8m passengers, a 3.6 per cent increase compared with the same month last year. At Heathrow, passenger volume rose by 2 per cent compared with July 1981. This coincided partly with the national rail strike last month, which distorted the growth figures for domestic air services.

Output increases

OUTPUT of the combined engineering industries was 1 per cent higher in the three months to May than in the previous three months. But the Industry Department's production index for this sector was only 94 in this period compared to a base of 100 in 1975. The highest point it has reached was 101 in 1979.

Shotton work pause

THE Shotton works of the British Steel Corporation is to be closed for three days beginning this Sunday because of a fall-off in demand for its cold rolled strip and coated strip products. The 2,500 employees at the works, which has been achieving record output in recent months, have been told to take these days as holidays.

Government attacked by Jenkins on unemployment

BY OUR POLITICAL CORRESPONDENT

MR ROY JENKINS, leader of the Social Democratic Party, yesterday accused the Government of risking massive social disruption rather than acting to curb soaring unemployment. He indicated that unemployment and the need to stop the steady destruction of British industry would be the major theme of the SDP's general election campaign. "Unemployment on today's scale is becoming a threat to the social cohesion of the nation," he told an SDP meeting in Glasgow. "Even a minister as insensitive as Norman Tebbit (the Employment Secretary) is forced to admit that unemployment under this Government may put a strain on the social fabric." Mr Jenkins supported Mr James Prior, the Northern Ireland Secretary, in his contention that present unemployment levels were "intolerable." "One of the minority of ministers who refuse to regard rising unemployment as a virility symbol, Mr Prior is right to be concerned and the Prime Minister and the Chancellor are wrong to be stubborn and complacent," he said. He said the economy would not be revived without Government action and stimulus and the support of the business community. Lower inflation and lower interest rates were highly desirable but would not produce investment and jobs unless the demand were there.

Nile Food to invest £8m in Swindon factories

BY LORNE BARLING

NILE FOOD Products, an international merchandising company, plans to invest up to £8m in three factories in Swindon, Wiltshire, to make clothing and food products which will be exported to the Middle East. Work on the first two factories will begin in about a month if planning permission is granted as expected. About 300 jobs for unskilled workers will be created in three years, according to the local authority, Thamesdown Borough Council. Mr Douglas Smith, the council's industrial adviser, said the company intended to start negotiations soon for a third factory which would require about 70 unskilled workers in the first year, rising to 120 in the third year. The first two factories, costing up to £8m, will produce

Provincial Building Society Notice to Existing and Prospective Borrowers and Investors

Notice to Existing and Prospective Borrowers Provincial Building Society hereby gives notice that the rates of interest applicable to existing mortgage accounts and outstanding offers of advance are to be reduced by 1.50% with effect from 1st September 1982. Where a mortgage deed specifies a period of notice before an increase in the rate of interest applicable to it is effective then the same period of notice shall apply to the implementation of this reduction and will commence on 1st September 1982. For the purposes of this notice an outstanding offer of advance means an offer of advance or further advance dated prior to 31st August 1982. The new rate of interest and revised repayment figure applicable to an existing mortgage and all outstanding offers completed on or before 31st August 1982 will be notified in each borrower's annual statement of account which will be sent during January 1983. Any borrower suffering hardship and requiring an earlier review of a repayment figure should communicate with the Society. Where an outstanding offer of advance has not been taken up by 31st August 1982 the new rate of interest and revised repayment figure will be quoted in the statement sent to each borrower after completion. Prospective borrowers requiring information relating to the effect of this notice prior to completion should contact the Branch of the Society which issued the offer of advance or the Society's Head Office. In Option Mortgage cases the appropriate subsidy will apply. Notice to Investors Provincial Building Society hereby gives notice that the rates of interest paid in all departments will be reduced by 1% per annum with effect from 1st September 1982.



Provincial Building Society People find Provincial understand Provincial House, Bradford BD1 1NL, Telephone: 0574 733444 Over 230 branches throughout the UK

Small business Euro-voice

MR BILL POETON, national spokesman for the Union of Independent Companies (UIC), has been nominated by the Prime Minister to serve on the economic and social committee of the European Parliament. A formal announcement is expected today. The four-year appointment is a significant honour for the UIC and a major boost for small and medium-sized companies. The committee, whose members are drawn from industry, trade unions and representative industrial bodies, advises the Council of Ministers and the European Commission. Mr Poeton, 55, has been a leading voice in the independent companies' lobby for the past 10 years. He helped form the UIC following a row with the Confederation of British Industry (CBI) in 1975. He is understood to be keen to use the post to show the Government how much is done for small and medium-sized companies in the European Community.

BARCLAYS HOME MORTGAGE RATE With effect from the close of business on 1st September 1982 the Barclays Home Mortgage Rate will be decreased from 13 3/4% to 12 1/4% per annum BARCLAYS

ACTI... notice... 1982... 1982... 1982...

MANAGEMENT

Shipshape—but where to next?

Andrew Fisher ponders the future for OCL, the UK container consortium

AFTER A five-year absence with a merchant bank in Asia, Kerry St. Johnston has chosen a tough time to re-enter the shipping world.



Kerry St. Johnston: "The art of survival is to be able to switch off"

Two of the main problems he will have to ponder are: should OCL take the plunge into the North Atlantic some time in the future when competition there is less vicious; and, should it try to move beyond its present shareholders (see adjoining article) in trying to attract new capital, possibly through a share flotation?

After only a few weeks in the top job—he became chairman on August 1, having been chief executive since May—he is still feeling his way and is not committing himself to any speedy solutions to these points.

Daunting

Why did he go, since he was then clearly marked out for the OCL chairmanship within a few years? He says he burned his boats at the age of 45 because the prospect of shortly becoming chairman and staying there until retirement at 63 was a daunting one.

The invitation to become president and chief executive of Private Investment Corporation for Asia (PICA) was an intriguing one he found. "I surprised everyone, including myself, by going ahead and doing it."

Keith Reynolds, had died tragically while scuba-diving in Hawaii. It became known around autumn 1980 that St Johnston would become the next OCL chairman.

OCL is now a very much bigger outfit than when he left. In the financial year to November 1981 alone, it added new trades from Europe and the Far East to the Gulf, from Europe to East Africa and to India, and from Australia and New Zealand to the Gulf.

These resulted in a marked expansion of OCL's route network. OCL was already providing services between Europe and the Far East, South Africa, Australia and New Zealand, as well as linking the latter two countries with Japan, Australia and the Far East.

Before taking over at OCL, St Johnston went on an exhaustive 10-week tour of all of its operations around the world. Sir Ronald Swayne, whom he succeeded, reckoned this would be better than coming straight back to the London head office and possibly absorbing too many accepted management notions.

"It worked immensely satisfactorily, except for wear and tear," he reckons he gained a

unique worm's-eye-view "from meeting local managers, agents, staff, customers and a number of politicians in various capitals."

Executives at the three shareholding companies reckon he has the energy and determination for the job. But they stress that OCL is in for a tough time. One calls him an "eager beaver," another "an excellent operator" with a practical down-to-earth approach.

The practical approach extends to the way he divides his professional and non-working lives. "I do not want to break any working records," he says. "I do not believe in the over busy executive. OCL could not be run in an autocratic way; it is too big and complicated."

OCL faces some awkward problems over the next few years and finding solutions will severely test St Johnston's strategic and practical qualities. Apart from combatting the recession, OCL has to decide where it wants to go now that its shareholders have transferred to it most major trades for containerisation.

At this stage, St Johnston is giving few clues as to where he aims to lead OCL. Entering the tricky and highly competi-

tive North Atlantic routes is likely, but not yet. A share flotation is not excluded, but there is "no compelling argument" for it now.

His approach, in fact seems to be a brilliant change in mind. He feels the present management structure, with directors having much responsibility for decisions in their various trades, is sound.

While he reckons OCL is better and more tightly managed than when he left, with more business handled by the same number of people, the team is basically the same.

Those joining OCL in their mid-30s—"not dull, steady administrators but slightly fizzy commercial self-starters." More than 15 years on, they are "slightly grey and grizzled." Complacency can creep in, he admits. "Fortunately, nothing happens to people out of that better than a good old-fashioned recession."

OCL has certainly had its share of knocks recently. Pre-tax profits tumbled last year from £46m to £26m as a result of the UK seamen's dispute, labour disruption at Southampton and dock disputes in

Australia. The problems in Britain alone inflicted £10m in extra costs and lost revenues on OCL.

The Southampton troubles went on into this February, costing OCL a further £1.5m. There was also unrest at Tilbury, the Thames port which is a key UK operating base for OCL. Industrial difficulties at Australian ports have continued.

OCL is not expecting great things from 1982. Nor are those market analysts who follow the company, which is hard to assess financially because of the complicated shareholding, dividend, and operational links with its parents, Richard Hanan, of stockbrokers Phillips and Drew, estimates that OCL will earn some £30m pre-tax this year, with recession in world economies dragging down business. Others estimate around £27m.

St Johnston reckons that 1982 will be "no worse" than last year. The climb back to economic growth is taking longer than expected—"we are still bumping about on the bottom of the recession." But he adds, "1983 should be better for us than 1982."

OCL produces no interim figures, but some idea of its first half performance can be gleaned from a look at the figures from Ocean. Analysts reckon that OCL made a pre-tax profit of £14m or so in the first six months.

Bouncing

While well up on the £4m-£5m estimated for the same period of 1981, they were expecting a higher figure. OCL has not had to face the same level of strike costs, which must have benefited profits. But trade volumes on major routes have been depressed, thus preventing the figures from bouncing back too strongly.

OCL, like other operators, has been hit by stiff competition. But some degree of order has entered routes to the Far East as companies have combined to stop further rate erosion. Maersk, the Danish company, has withdrawn its fleet to leave the powerful Far Eastern Freight Conference, a major rate-setting organisation. Evergreen, the Taiwanese line outside the FEFC, has agreed to keep its rates not too far below those of the conference which have also been temporarily

The birth of the big box

THE age of the container began in the 1960s. Before that, most general cargoes were lifted and stowed individually on ships instead of being more efficiently transported in uniform steel boxes—as happens today.

But with the increased efficiency has come a sort of cold anonymity. Initiatives abound rather than names. Among the best-known is OCL—Overseas Containers Limited—set up by four UK shipping companies in 1965 to share the heavy financial burden of containerising major routes.

Apart from colour, length and initials—OCL's new boxes are blue with its letters in white—there is nothing to distinguish one container from another. Each is lifted by crane into purpose-built container ships, or ones with some container room, at neat modern terminals—a far cry from the bustle of traditional ports.

The first OCL ship, the West German-built Encounter Bay, sailed from Rotterdam to Australia in March 1969. From its hopeful beginnings in the mid-1960s, OCL has become Europe's largest container operator. There are 28 ships in its fleet, some of them among the biggest merchant ships in the world. Another, the Providence Bay, was launched in Germany this week.

OCL serves 14 international routes spanning more than 30 countries. The consortium

handled its millionth container in 1976. Last year, OCL ships delivered over 335,000 containers. More than a third, just over 127,000, went between Europe and the Far East, and another 65,000 on the route to Australia/New Zealand. The rest were to South Africa (37,000), the Gulf (18,000) and East Africa (6,000).

The present shareholdings in OCL are: P&O, 47.4 per cent; Ocean Transport and Trading, 32.8 per cent; and British Commonwealth Shipping, 19.8 per cent. The holdings have varied over the years according to the value of the trades transferred by each company to OCL.

The fourth member, Furness Withy, had to drop out in 1980 after it was bought by Hong Kong's C.Y. Tung Group. The founding shareholders originally had 25 per cent each in OCL. When Furness Withy's holding was bought by the other three because its new parent also owned OOCL (Orient Overseas Container Line), as well as having confusingly similar initials, it is a competitor on Far Eastern and other routes.

By the end of the 1980s, OCL is likely to be a very different animal. It will presumably by then have gone into the North Atlantic, where efforts are also being made to stabilise trade. And it may well have gone to the market for more funds or gained a new shareholder to enlarge its capital base.

These, however, are weekday problems. St Johnston, who believes "business should be fun," likes to travel home to Gloucestershire at weekends. "I can see through a whole weekend without thinking of OCL. The art of survival is to be able to switch off." But he is likely to find switching off from OCL hard in the next few years.

Management abstracts

Strategic control in multinational firms, C. K. Prahalad and Y. L. Doz in Sloan Management Review (U.S.), summer 1981.

Examines the relationship between head office and divisions in multinational situations where the centre may have to assert control over divisions that consider themselves near-autonomous. Examines actions by IVECO (truck makers), Corning Glass, and Brown Boveri (electrical engineering) to bring about a change in the relationship; concludes that divisions need to be fully informed of the reasons behind the change, and that an announcement of change will have no effect unless it is accompanied by re-allocations of responsibility/authority.

Investment appraisal is mostly institutional. E. F. Northcote in Management Accounting (UK), Jan 1982. Insists that so many imperatives surround capital investment decisions that—with rare exceptions—they are little more than a matter of hunt; concludes that it is futile to use discounted cash flow, but suggests that rough and ready guesswork may be helped by rough and ready calculations relating to payback period. What advertising is—and isn't. J. O'Toole in Across the Board (US), April 1982.

Examines expressed attitudes towards advertising, and concludes that it is criticised and disliked "because it isn't something else"; weighs pros and cons of regulation and discusses the thinking behind the advertising of named household products.

Energy use and management. P. Ellis in The Architects' Journal (UK), 14 April 1982. After noting how energy use/misuse, energy, and discussing appropriate energy use, suggests that energy should be used "rationally," suggests components of energy management. Knowing what a business is worth. R. Garlick in Chief Executive (US), April 1982. Gives examples of how named companies have decided, or been forced, to sell out or dispose of assets at knock-down prices, and of how others seek to keep abreast of realisable values.

These abstracts are condensed from the abstracting journals published by Anbar Management Publications. Licensed copies of the original articles may be obtained at £2.50 each (£3 each from September 1 including VAT and p.p.; each with order) from Anbar, PO Box 23, Wembley HA9 8DJ.

TECHNOLOGY

Turkey and UN stamp out drug abuse with new factory

TURKEY has built the world's biggest factory for processing opium poppy-straw into morphine and codeine. Erected with much international assistance in Central Anatolia, the plant uses a technology which cuts the lucrative produce out of the reach of the international heroin syndicates.

The process bypasses the traditional lacing of the poppy capsule which would give access to peasant farmers and the crime syndicates to raw opium which, in turn, can be converted into heroin in rudimentary laboratories for the black markets.

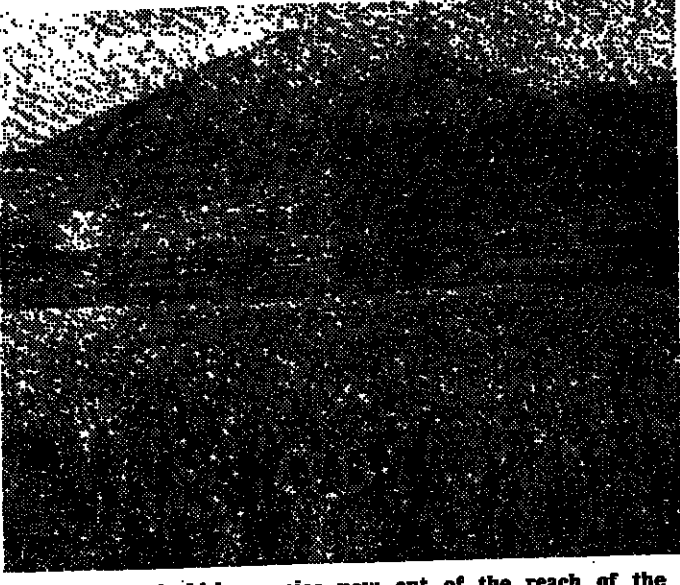
Once the source of 80 per cent of the heroin used by West European and North American addicts, Turkey has turned its opium industry from an international disaster into a legitimate big agro-business. At the heart of its development is a new technology.

TOM LAND reports

enterprise in any developing country. Its Government has signed a \$5m agreement with the UN Fund for Drug Abuse Control for a joint operation intended to stamp out Turkey's remaining links with the illegal trade. The plant at Bolvadin is to convert 20,000 tons of straw a year into 80 tons of morphine when full-scale production begins. About half of this will be further refined into codeine and other alkaloids for sale to

drug producers, creating a fresh source of export revenue for Turkey as well as jobs for some 300 local workers. The factory cost \$33m to build. It comprises an extraction and a derivative products plant plus storage capacity for raw poppy-straw. Studies are already under way for the establishment of a research centre to work out ways of increasing the morphine content of the poppy-straw through seed improvement.

To prevent leaks, security at the plant is so tight that even photography is forbidden within the fenced-in compound. The alkaloids are stored in a bank vault. The control measures include a card system, double supervision of all passages, internal television surveillance and rapid communications with the security forces. Previous assistance by the UN fund has enabled the Turkish authorities to obtain the technology—available only for hard foreign exchange—ensuring an efficient surveillance of the poppy fields. They have also been given a radio network used in the supervision of provinces where opium poppy cultivation is authorised. As a result, the chemical



A field of Turkish poppies now out of the reach of the international heroin syndicates.

analysis of narcotics seized the world over confirms that Turkish opium has been effectively excluded from the illegal trade. But Turkey is still being used by the traffickers as a principal transit zone. Much of the opium, grown in Iran, Pakistan and Afghanistan is smuggled into Turkey for conversion into heroin at numerous clandestine laboratories. The end product finds its way to the West—where the public health authorities measure the cost in terms of the alarming current increase of drug-related deaths among young people.

Measuring Infra-red Cyclops

A PORTABLE infra-red thermometer, designed for measuring surface temperatures inside gas or oil-fired furnaces has been introduced by Land Pyrometers, in Sheffield. The new Cyclops can measure temperatures in the range 600 degrees C to 1,400 degrees C. The company says it has a 0.75 per cent accuracy of the absolute temperature. More on 0246 419691.

Communications Error analysers

IF YOU are trying to spot errors in your communications network then the Firebird series of digital error analysers might help. The latest microprocessor controlled version is available

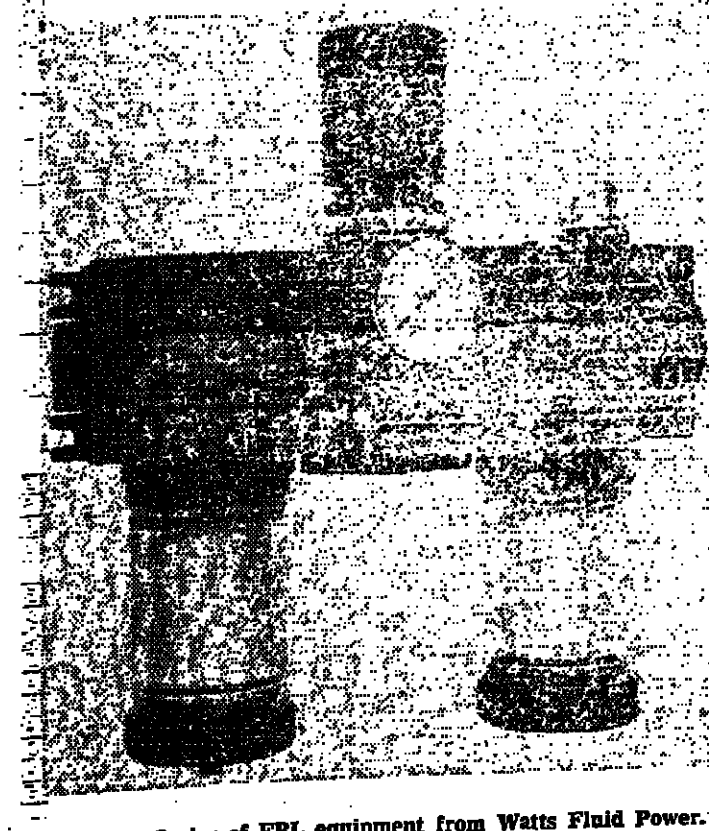
Microprocessor systems from THORN EMI Automation Rugeley, Staffs, England Controls for industry

from Codex, Thornton Heath, Surrey.

The company says its new instrument is lightweight, portable and can tell whether a fault lies in the communications equipment or the telephone line. More details are available on 01-589 2191.

SEI has launched a new ultra linear power amplifier designed for high performance single sideband mobile radio communications in military and similar applications. The company claims that it has extremely low intermodulation distortion in the high frequency band. It is intended for use with 50 ohm systems and has a flat gain of 14 db. More details on 061-789 5081.

Safe Sight Series clue for launch at Design Exhibition Step forward in FRL equipment



A NEW range of filters, regulators and lubricators, known as the Safe Sight 360 Series, has been designed by Watts Fluid Power of London Road, Thrupp, near Stroud, Gloucestershire, and will be demonstrated at the Design Engineering Show at the National Exhibition Centre, Birmingham (September 28 to October 1).

The filters, regulators and lubricators (FRL), although probably the smallest components, are vital to the efficiency of compressed air line systems and should, says Watts, "be of immense value to maintenance and service engineers."

Watts is proud of the fact that the British designed and manufactured 360 Series is some way ahead of anything produced in the U.S., although the company would like to keep quiet about this point.

The 360 Series is a modular range designed for pressures up to 250 psi and for piping of 1/2, 3/4 and 1 inch. Simply by changing the end part, secured by two screws, port sizes can be changed with the main body

remaining constant whatever size is called for. A main feature of the equipment is an all round sight glass, which, it is claimed, combines the visibility of plastic bowls with strength and safety of conventional metal bowls.

This 360 degree sight glass has been achieved by the use of a lightweight alloy casting as the bowl body with a polycarbonate sleeve which fits around the body; there is a small clearance between sleeve and body made airtight by O-ring seals.

Two small holes within the alloy casing allow the oil/air to enter the clearance and because the fluid is allowed to flow freely around the bowl there is easy viewing of the fluid level.

Although the company admits that modular FRL equipment is not new, it claims that the 360 takes development a step further by making the main body for the filter, regulator and lubricator identical.

For full technical details the man to talk to is Chris Saunders (0453 883401).

MAX COMMANDER

Bicycles Quality tubing to keep Reynolds in forefront of the market

BY MICHAEL STRUTT

TWO YEARS' research by TI Reynolds has resulted in a new specification for quality cycle tubing which the company hopes will keep it at the forefront of the market. The new tube, Reynolds 501 Cromalloy M, is designed to sell to high-volume cycle manufacturers.

Reynolds' reputation was built on Alfred Reynolds' invention 80 years ago of the butting process by which the cold drawing of steel billets through dies produces tubes of great tensile strength which are internally thicker at each end, where the stress in use is greatest.

Development of its renowned 531 manganese molybdenum tubes in the 1950s set a standard for other manufacturers and the cachet of the Reynolds 531 transfer on a frame built with these tubes has itself

spurred competition from foreign makers which Reynolds has had to meet. Nearly 80 per cent of its cycle frame tubes are sold overseas.

The company's most remarkable advance in the last few years has been its 753 tubes for racing and time trials machines, which have butted tubes a mere 3mm thick in the middle.

Both 531 and 753 tubes are produced for a fairly specialised market and hand built into complete frames by specialist builders. The new 501 tubes, in contrast, are intended for sports, touring and commuting cycles, produced in volume to sell in the £150 to £200 range.

It is in this market that Reynolds wants to extend its reputation, supplying, perhaps, 20 per cent. The 501 tubes, designed with help from Warwick University,

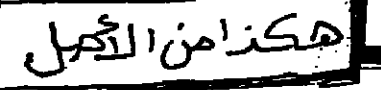
have a tensile strength of 50 tons and the company claims they are easily capable of retaining a yield strength after brazing of 37 tons.

While they are heavier and thicker than 531 and 753 they are also double butted and are expected to sell at about 70 per cent of the price of 531 tubes.

Mr Terry Kelly, Reynolds' technical director, points out that the 501 tubes have been designed expressly to stand up to the rough and tumble of factory production, where brazing standards cannot match those of the specialist builders. The new tubes are also robust enough to stand such factory hazards as being dropped accidentally on the floor.

The 501 tubes can retain their strength in brazing temperatures up to 1,100 degrees C and can be assembled into frames on brazing machines.

The 360 Series of FRL equipment from Watts Fluid Power.



FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4A 3BY
Telegrams: Finantimo, London PS4, Telex: 8954871
Telephone: 01-248 8000

Friday August 27 1982

BRITISH RECEIVERSHIPS RISE

The business of going bust

By Tim Dickson

Mr Reagan and the pipeline

JUST OVER six weeks ago A. J. Balcombe, a small family-controlled business with 100 employees in North London, finally decided enough was enough. So began the sort of depressing saga which is being repeated almost daily throughout Britain.

It had become all too clear to the company that it was critically short of working capital and after consultations with its bankers and an outside accountant its directors agreed to call in the receiver.

Two days later Mr Guy Parsons, the senior insolvency partner at accountants Peat, Marwick and Mitchell, and his colleague Mr Alan Milnes were jointly appointed to do the job.

And Balcombe's name has already been added to the statistics which show a 100 per cent jump in receiverships in the first half of this year and a 22 per cent increase in liquidations.

The company assembled a range of largely imported audio equipment under the Alfa trade name at its base in Edmonton. Turnover dropped from £8.3m to £6.8m in the past three years and losses of more than £1m were incurred in the 12 months to January 1981.

Nevertheless Mr Milnes and Mr Parsons thought that underneath the wreckage there might be a potentially viable business enterprise.

Twenty-four hours after his appointment Mr Milnes acted by hiring off the "saleable bits of the company into a new subsidiary." This is a standard procedure, he explains.

The idea is to put together an attractive package for interested purchasers and at the same time preserve any tax losses.

The "package" included the right to the name, all the stock and any work in progress.

The next step was to gather information for a sales memorandum and meet the directors of Balcombe again, to discuss a production strategy for the next few weeks.

That meeting took place the following Sunday. "A weekend is usually the best time to do this sort of thing," says Mr Parsons.

Receivers are usually appointed at the end of the week and all hell tends to break loose on Monday morning when creditors, employees and interested parties ring up to find out what is going on.

In Balcombe's case Mr Milnes decided to keep production going for a couple of weeks "to convert work in progress into finished stock."

Advertisements for businesses for sale, including 'Crocodile FOR SALE' and 'Retail Fabric Chain North West'.

Some recent advertisements of businesses for sale.

loose on Monday morning when creditors, employees and interested parties ring up to find out what is going on.

In Balcombe's case Mr Milnes decided to keep production going for a couple of weeks "to convert work in progress into finished stock."

Meanwhile, the receivers had been looking for a buyer. Some inquiries were received direct from the trade and a dozen more followed a newspaper advertisement.

"They were a complete mix" says Mr Milnes.

Receivers, however, do not look after unsecured creditors. That is the job of a liquidator, who will take on any money left in the kitty after the receivers have carried out their responsibilities.

Receivers are generally reluctant to discuss how they fix prices in particular cases. But it seems that many businesses can justify a price well above break-up value, but probably a little below what professional valuers say they are worth as a going concern.

Businesses with good products that are inherently sound are falling because their balance sheet is such that they can't survive the downturn in demand.

Receivers are generally reluctant to discuss how they fix prices in particular cases. But it seems that many businesses can justify a price well above break-up value, but probably a little below what professional valuers say they are worth as a going concern.

Receivers are generally reluctant to discuss how they fix prices in particular cases. But it seems that many businesses can justify a price well above break-up value, but probably a little below what professional valuers say they are worth as a going concern.

Receivers are generally reluctant to discuss how they fix prices in particular cases. But it seems that many businesses can justify a price well above break-up value, but probably a little below what professional valuers say they are worth as a going concern.

Receivers are generally reluctant to discuss how they fix prices in particular cases. But it seems that many businesses can justify a price well above break-up value, but probably a little below what professional valuers say they are worth as a going concern.

Receivers are generally reluctant to discuss how they fix prices in particular cases. But it seems that many businesses can justify a price well above break-up value, but probably a little below what professional valuers say they are worth as a going concern.

Receivers are generally reluctant to discuss how they fix prices in particular cases. But it seems that many businesses can justify a price well above break-up value, but probably a little below what professional valuers say they are worth as a going concern.

A GUIDE TO INSOLVENCY

- Bankruptcy: Applies to an individual who is unable to pay his or her debts.
Receivership: A receiver can be appointed only by someone who has a charge over the assets of a business.
Liquidation: A liquidator often comes in behind a receiver to look after the interests of unsecured and preferential creditors.

According to Mr John Harris, its managing director, Harvard has been on the look-out for complementary businesses for some time.

Receivers, however, do not look after unsecured creditors. That is the job of a liquidator, who will take on any money left in the kitty after the receivers have carried out their responsibilities.

Receivers are generally reluctant to discuss how they fix prices in particular cases. But it seems that many businesses can justify a price well above break-up value, but probably a little below what professional valuers say they are worth as a going concern.

Receivers are generally reluctant to discuss how they fix prices in particular cases. But it seems that many businesses can justify a price well above break-up value, but probably a little below what professional valuers say they are worth as a going concern.

Receivers are generally reluctant to discuss how they fix prices in particular cases. But it seems that many businesses can justify a price well above break-up value, but probably a little below what professional valuers say they are worth as a going concern.

Receivers are generally reluctant to discuss how they fix prices in particular cases. But it seems that many businesses can justify a price well above break-up value, but probably a little below what professional valuers say they are worth as a going concern.

Receivers are generally reluctant to discuss how they fix prices in particular cases. But it seems that many businesses can justify a price well above break-up value, but probably a little below what professional valuers say they are worth as a going concern.

Receivers are generally reluctant to discuss how they fix prices in particular cases. But it seems that many businesses can justify a price well above break-up value, but probably a little below what professional valuers say they are worth as a going concern.

Receivers are generally reluctant to discuss how they fix prices in particular cases. But it seems that many businesses can justify a price well above break-up value, but probably a little below what professional valuers say they are worth as a going concern.

Receivers are generally reluctant to discuss how they fix prices in particular cases. But it seems that many businesses can justify a price well above break-up value, but probably a little below what professional valuers say they are worth as a going concern.

Receivers are generally reluctant to discuss how they fix prices in particular cases. But it seems that many businesses can justify a price well above break-up value, but probably a little below what professional valuers say they are worth as a going concern.

Receivers are generally reluctant to discuss how they fix prices in particular cases. But it seems that many businesses can justify a price well above break-up value, but probably a little below what professional valuers say they are worth as a going concern.

It's easy enough to sell off the best bits...

Table with columns: BUSINESS FAILURES, First half of 1981 and that of 1982 compared, 1981, 1982, % change. Rows include Building & construction, Catering, Agriculture, etc.

Much depends on the size of a business for sale and the nature of its activities. All receivers, though, expect considerable "interest" from competitors who never intend actually to make a bid but who hope to get hold of hitherto sensitive information about their industry.

Receivers are generally reluctant to discuss how they fix prices in particular cases. But it seems that many businesses can justify a price well above break-up value, but probably a little below what professional valuers say they are worth as a going concern.

Receivers are generally reluctant to discuss how they fix prices in particular cases. But it seems that many businesses can justify a price well above break-up value, but probably a little below what professional valuers say they are worth as a going concern.

Receivers are generally reluctant to discuss how they fix prices in particular cases. But it seems that many businesses can justify a price well above break-up value, but probably a little below what professional valuers say they are worth as a going concern.

Receivers are generally reluctant to discuss how they fix prices in particular cases. But it seems that many businesses can justify a price well above break-up value, but probably a little below what professional valuers say they are worth as a going concern.

Receivers are generally reluctant to discuss how they fix prices in particular cases. But it seems that many businesses can justify a price well above break-up value, but probably a little below what professional valuers say they are worth as a going concern.

Receivers are generally reluctant to discuss how they fix prices in particular cases. But it seems that many businesses can justify a price well above break-up value, but probably a little below what professional valuers say they are worth as a going concern.

Receivers are generally reluctant to discuss how they fix prices in particular cases. But it seems that many businesses can justify a price well above break-up value, but probably a little below what professional valuers say they are worth as a going concern.

The SDLP moves half a step

IN DECIDING to contest the Northern Ireland Assembly elections this autumn, the Social Democratic and Labour Party has rescued Mr James Prior's devolution initiative from the prospect of an early grave.

The SDLP is still only a minor party in the Northern Ireland Assembly. It is essential to any attempt to restore Catholic political life to the province.

Whether they can be made to work even within the 30-year timescale that Mr Prior's deputy Lord Gowrie has suggested may be necessary, is another matter.

But that framework explicitly requires the Unionist majority to co-operate with the Nationalist minority.

Nevertheless, Mr Prior and his team of ministers deserve praise for their skill in keeping things afloat so far without provoking any of Ulster's boycott politicians into slamming the door.

Men & Matters

For this tidy little sum, his firm has the distinction also of being the first British stockbroker to own a NYSE seat.

Both sides have long had superb satellite maps of each other's territory as the state of Maine discovered when it decided to do some major planning along its coast.

It duly wrote to the National Aeronautics and Space Administration to ask for satellite photographs. Try the Department of Defense, NASA replied.

In despair and with tongue in cheek, Maine wrote to the Soviet Embassy in Washington. It promptly received the photographs it wanted.

The story was told to me recently by a U.S. Government cartographer. But the events took place 10 years ago.

Hard on the wheels of Bedford, the Luton truck maker which is to sponsor its home town football club for the next four years, rival European manufacturer Iveco yesterday announced a £400,000 deal with near-neighbours and Division One newcomers Watford.

Formed by a merger between Italy's Fiat, Germany's Magirus Deutz and France's Unic, Iveco is the second biggest truck and bus builder in Europe.

Animal crackers

It is not the obvious hazards of the job—snake-bite, a bear hug or laceration by some lion—that worry the zoo-keepers' trade union in Melbourne.

The Miscellaneous Workers Union has just called in a medical specialist to assess the risk of damage to keepers' hearing from the screaming in the apes when the inhabitants are given their breakfast.

"Unearthly" is how one keeper describes the racket created by the six chimps, four gorillas and three orang-outangs. Excitement over getting the food often caused fights.

The chimps are apparently the worst—screaming, hooting and banging on the metal door of their cage for up to 30 minutes. Keepers thought their hearing might be impaired by the dawn chorus, said MWU state secretary Ray Hogan.

Datsunuf

Much amusement in the motor industry at the moment, I gather, over this story.

Terrorists captured a Frenchman, a Japanese and an American. Each would be granted one last wish before they were shot, they were told.

"Shoot me quickly," the American interrupted. "I can't stand another lecture on Japanese management," he responded.

هكذا من الأكل

Compass Computerised Property Appraisal System. THE NEW DIRECTION IN PROPERTY INVESTMENT APPRAISAL. STORAGE OF ALL VALUATION AND PERFORMANCE DATA. RAPID ON-LINE VALUATIONS. ASSESSMENT OF INDIVIDUAL PROPERTIES AND PORTFOLIOS.

POLAND UNDER MARTIAL LAW

An acid test for Solidarity

By David Buchan in Warsaw

POLAND IS tensely awaiting a trial of strength next week...

Solidarity's underground activists hope that protest rallies in major Polish cities will show that support for the union that once had 10m members still runs deep...

For his part General Wojciech Jaruzelski, who imposed martial law in December, does not intend to fail what could be his biggest challenge so far...

The upshot will be watched intently from Washington to Moscow. Solidarity has made Poland a symbol of East-West confrontation...

Conciliatory gestures have been brushed aside

past eight months for anyone to be sure that any of the main anniversaries in the Polish political calendar will have a decisive result.

Conciliatory gestures—more like olive twigs than branches—have been brushed aside by both sides. General Jaruzelski freed 1,000 internees in May and 1,200 in July...

On the other side, the main Solidarity leaders in hiding—men like Zbigniew Bujak, Wladyslaw Fraskymuk and

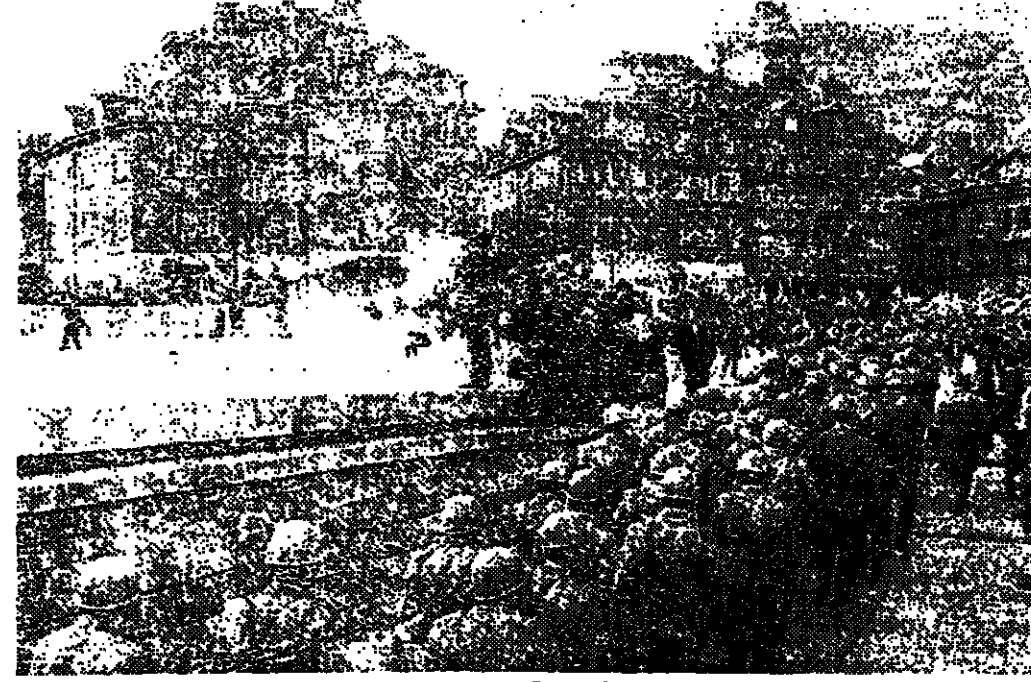
Bodan Lis—gave the Government a month's respite in July, shut down their clandestine radio and even offered to talk with the authorities...

So now the struggle is on again—with the Solidarity underground regarding it as intolerable that 600 people, including Mr Lech Walesa, are still held without trial...

The Jaruzelski Government is none the less toughening its stand, aware that it has much on its side. For the moment Solidarity, as a single coordinated organisation, is dead...

What does live on is a myriad of activists and sympathisers willing to undertake largely freelance issuing of leaflets and bulletins and, from time to time, to appear on the streets in symbolic protests...

Past political hopes and present economic discontent have also created a highly volatile atmosphere in Poland. As one



Rankings of riot police march out to engage Solidarity supporters in Warsaw last May

of the few remaining liberal newspaper editors still in business says: "The 16 months of Solidarity raised hopes that some level of democracy, popular control, people's control was possible in the country's horrendous external financial problems, has sent the cost of living up 103 per cent in the first six months of this year...

So, too, is the impact of Poland's economic crisis. The savage deflation, caused more by General Jaruzelski's own policies than the country's horrendous external financial problems, has sent the cost of living up 103 per cent in the first six months of this year...

The promise of market-based economic reform had taken second place to the need for central allocation of desperately

scarce raw materials and foreign exchange. Though outed from the militarised mines has risen, industrial production dropped a further 7.8 per cent in the first half of this year compared with the second half of 1981.

A government committee to study ways of reviving trade union activity is due to be set up next month. But so far the Government has come forward with no more than the opinion that while the principle of independent unions might be valuable, old-style Solidarity, organised by region, not industry, is out of the question.

The much-promised "renewal" of the Polish Communist Party, a matter of great concern to the Kremlin, has proved impossible, while the party has continued to hemorrhage. Having lost 600,000 members in the Solidarity era, the party has lost a further 250,000 since martial law, either by expulsions or resignations...

General Jaruzelski's sole political initiative has been to set up "The Patriotic Movement for National Rebirth," as a sort

of adjunct to the party with no very clear function. Thus, military rule is clearly no longer the brief interregnum of which General Jaruzelski once spoke.

General Jaruzelski has strengthened his position inside his own Government. This was the effect of the July reshuffle in the Politburo and Central Committee which had few policy implications apart from the promotion of some badly needed economic experts to senior posts.

Virtually everyone now in the key secretariat of the Party Central Committee personally owes his job to General Jaruzelski. Even erstwhile moderates, like Mr Mieczyslaw Rakowski, are taking a harder line. The ranks have closed.

General Jaruzelski evidently reserves a lot of decisions to himself these days. But there are two other generals on whom he is believed to rely heavily: General Czeslaw Kiszczak, the Interior Minister, who gave a blistering law and order speech this week, and General Florian Siewicki, the vice Minister of Defence.

General Jaruzelski has also managed to get Moscow to deliver on its promises of increased economic aid. Despite

its qualms about the reversal of the traditional communist dictum that the party should control the military, the Soviet Union is providing Poland this year with extra raw materials, placing orders with idle Polish plants, and attempting to finish off some factories left unfinished for lack of western components and credit.

The third thing which General Jaruzelski would like to do is to win over the Polish Church, or at least neutralise its political influence. Many Solidarity sympathisers think he is succeeding at the top of the Church hierarchy, with the Primate, Archbishop Jozef Glemp. The latter has been much criticised for not speaking out strongly enough against martial law, though yesterday at the Czestochowa celebration he called for Mr Walesa's release.

But even the bitterest Solidarity activists do not charge the Church as a whole with playing the authorities' game. This is because of the activities of the rank and file clergy, criticising martial law from their parish pulpits, attending the court trials of those charged under martial law and helping the families of internees.

The Jaruzelski Government has taken strong exception to the demand by Nato governments that it resume dialogue with the Church as well as with Solidarity. As Mr Rakowski insisted a few days ago, the dialogue had never been broken off with the Church. That claim is desperately important to the government.

Martial law has hastened a collapse of governmental legitimacy in Poland, a process begun in 1980, and the present regime is desperately anxious to maintain a bridge to the Church, the one Polish institution whose legitimacy has not been questioned in the past two troubled years.

Some of the things that have been said recently about the Anglo-American Fund, however—notably the suggestion (as he

Lombard

Why we need venture capitalists

By Tim Dickson

IF BRITAIN is to have an economic future, then resources have to be switched from traditional industries like steel and shipbuilding to areas of high technology which promise more rapid and more sustained growth. But how?

The heart of the present Government's philosophy is that the private sector should perform this function. But even some of its supporters do not always understand or accept the consequences of this policy. And one consequence is that many of those who risk their own and other investors' money to back the young companies of tomorrow will end up being very rich indeed.

This, of course, does not go down well in Britain, where anyone who gets rich quick tends to attract sneers from those who think they are socially superior, or envy from others who are proud to regard themselves as socially inferior.

The public image of the financial community is still suffering from Harold Wilson's taunts against property speculators and asset strippers in the early 1970s—no doubt has something to do with this. But while men of this ilk have not disappeared, their deeds and misdeeds should not be allowed to disguise the constructive contributions of more legitimate financial entrepreneurs.

A good example of how this can happen is illustrated by some of the reactions to the Californian venture capitalist, Mr Jack Melchor.

Melchor was originally "discovered" by the National Enterprise Board, with whom he jointly set up the £2m Anglo-American Fund in November 1980. This was a Government inspired initiative using public money to take major equity positions in high technology businesses in the UK-assisted areas. By most accounts, it has been at best a modest success. Melchor, meanwhile, plans to launch his own £10m privately financed venture capital fund which will be free to back projects anywhere in the UK.

Some of the things that have been said recently about the Anglo-American Fund, however—notably the suggestion (as he

puts it) that he is a knave and the NEB were fools—are holding up the announcement of his own project.

The notion that Melchor secured an unjustifiably good deal for himself when the Anglo-American Fund was set up at the end of 1980 is unfair in terms of the deal were quite clear from the outset; no attempt was made to cover up his company's participation in any future successes; secondly, American venture capitalists have played an important role in encouraging American entrepreneurs and could well do the same in Britain.

In certain parts of the U.S.—notably Boston and the West Coast—venture capitalists are now an important part of the financial scene. Typically they raise money from large companies, institutional investors like pension funds and wealthy private individuals who are keen to tap their expertise in identifying the growth companies of tomorrow. The deals they put together involve more than just the provision of finance—a good venture capitalist can often strengthen an existing management team by bringing people in from the outside and by remaining much more closely in touch with day-to-day operations than the average UK investing institution.

For this reason, and because they seem to be prepared to take greater risks, U.S. style venture capitalists, such as Advent Technology and Venture Founders are already adding a new dimension to the UK financial scene.

Melchor clearly hopes to make money out of the NEB project—and for that matter out of his private project. But just because the arrangements are unfamiliar in the UK they should not be condemned.

While finance in itself may no longer be in short supply in the UK, the expertise in nurturing fledgling businesses and spotting new markets often is. This is one of the major contributions that venture capitalists can make. But we really must overcome our national distaste for successful "people making money."

Letters to the Editor

Effective comprehensive consultation with employees

From the Director, Employee Relations and Services, BL Cars

Sir—As your feature on the Management Page of August 23 states, the criticisms of Mr David Buckle, Oxford district secretary of the Transport and General Workers' Union, are far more concerned with shop steward and trade union power than they are with effective employee consultation. As such they should not go unchallenged.

Significant progress has been made over recent years by the Austin Rover Group in communicating with and in consulting employees and their trade union representatives on matters affecting their employment. Even matters which might be regarded as commercially sensitive (for example, plans for new products and investment) are widely discussed in advance of implementation and views expressed are taken fully into account. That is a healthy and necessary part of the process of making the best decisions and in securing the subsequent co-operation of those who are affected by them.

The power system Mr Buckle appears to be advocating (known as mutuality) was tried in our company over many years and failed. It resulted in continuous negotiations, restrictive practices, frequent interruptions to production causing loss of wages for employees and in uncompetitive levels of productivity. More fundamentally, it discouraged investment because there could be no confidence that new products or new equipment would be introduced and operated efficiently once all the stages of consultation/negotiation required by mutuality had been exhausted. Management initiative was stifled and unjustified compromise was the order of the day.

Yet these were handicaps not shared by our European or Japanese competitors. Their consultative systems did not become devices by which change could be blocked or through which heavy penalties could be applied to restrict efficiency. And these are the countries against whom we are having to compete and whose standards of efficiency we are only now beginning to match after a great

deal of effort all round. The answer cannot lie in a return to the veto power of the shop steward. It has to lie in more comprehensive two-way communication and consultation with employees as well as with their representatives.

Austin Rover and the other companies in BL have recognised this principle and do practise it widely. Mr Buckle might prefer a return to the old style where his representatives held sway, but the vast majority of his members prefer management to give the lead, taking as we do, full account of the interests and views of the people affected.

Talk therefore of the pendulum swinging back is misplaced and fails to recognise the reality of commercial competitiveness. We can look to the future with confidence and the trade unions have a major and constructive contribution to make in that future—but they will not advance by going back to old ways. C. J. Armstrong, Coventry, Coventry.

Stagger school times

From Mr P. Butler

Sir—English seaside resorts' attempts to recapture their share of the summer holiday market, reported by James McDonald (August 23) are probably doomed to failure while the season is kept so short by the education authorities. 1981's school holiday period in Kent was, effectively, just five weeks—and that is assuming that the average family wishes to dash away in the week in which summer term ends or that the working mother wants to do three weeks' wash in the first week of the autumn term. And for the pleasure of crowded travelling in a month which often, as this year has shown, is not the sunniest of the summer, to resorts which have to raise the bulk of their income in one-twelfth of the year, a high premium must be paid.

An obvious solution, practised with success in other countries, would be to stagger school summer holidays by region between June and September. The benefits to, and indeed, the wishes of, the majority are so obvious that one has to wonder at the sheer inertia which prevents it happening. Peter Butler, 13 Byng Road, Tunbridge Wells, Kent.

Blazing away

From Mr A. Delens

Sir—Since I arrived in England on a short holiday I have been amazed at the number of cars driven around with their lights on in broad daylight, even in bright sunshine. This can be confusing to other motorists, especially when the brake lights appear to be on constantly, and adds to the already too numerous road hazards.

I understand that these cars are Swedish and that the design of their electrical circuits does not permit the driver full control of the lighting system. While I find the cars themselves are unattractive, heavy and clumsy and lack performance, I would never myself buy or even drive a car where I did not have full control of everything on it. It is also interesting to note that in Switzerland, where safety regulations are stringent, the authorities will not allow such cars to be registered until repaired to a satisfactory specification. A. H. R. Delens, Naval and Military Club, 94 Piccadilly, W.1.

Safe deposit boxes

From Mr A. Tancred

Sir—Your interesting article on safe deposit boxes (Technology, August 20) rightly draws attention to the need for this service in the UK. The service hitherto provided by the banks has been deficient in more than one respect. There is a real concern about security. The recent Lloyds Bank break-in has shown that vaults when closed for prolonged periods (up to 80 odd hours at weekends) are highly vulnerable. The new breed of "professional" thief, who has sophisticated equipment, such as thermic lances at his disposal, is not necessarily thwarted by even highly advanced security devices.

What is required are vaults which are manned for longer periods. Unrestricted access, and constant manning, are crucial components in the provision of a secure safe deposit. Happily such security is also consistent with what the customer very often requires—the opportunity to view the contents of his box outside office hours. A. P. Tancred, 1 Cristouze Road, SW6

Criticism of Israel

From Mr E. Reader

Sir—Mr S. Goldman (August 19) has expounded such a mixture of fallacy and opinion that he is indeed lucky to be allowed so much space for it. First the question of antisemitism. This has provided the cry that has stifled criticism of Israel since it was founded. There is little doubt that many non-Jewish Britons have been appalled at atrocities committed against Jews. Many are equally appalled at many Israeli actions. No doubt admiration of Mr Begin extends from Deir Yassin to Beirut. There is however an essential difference: while few people have heard of the first, the latter has revealed an aspect of Israel long concealed from much of the world.

If the action in Lebanon has liberated the Lebanese people, it remains to be seen if they are as grateful as were the Jews for the "liberation" of Warsaw. As for peace with Egypt, the benefit to Israel has been great, but the concessions minimal. Would Israel have invaded Lebanon without that peace?

Mr Goldman need not be concerned by the outbursts of Mr Begin—actions speak louder than words. His central European origin is another matter; he and many like him are now occupying the ancestral home of Palestinians. The emotive view of wars since 1948 ignores the fact that

some were initiated by Israel, either by provocation or by pre-emptive strike. One has to be very naive not to realise that the mobilisation and assembly of equipment far in excess of defence needs was in progress long before the excuse occurred to invade Lebanon.

The views expressed as to world opinion on the fate of the Jewish population gives no credit to outside aid, without which the Israeli economy would be in dire straits and military capacity greatly reduced. Is it wise to yet again raise the old excuse of terrorism? Stern Gang and Irgun can never be forgotten by the friends and families of their victims.

On the question of borders, I can but agree that for Israel to retire to those of 1967 will no do justice requires a return to 1948.

Why should the West Bank Palestinians not enjoy whatever prosperity they have in freedom. Israel is subject to International Labour Organisation criticism for its treatment of labour in the occupied territories. Certainly there are Palestinians scattered throughout the Middle East. Nothing can alter the fact that their homeland is Palestine. Israel will tolerate a small proportion in occupied territory. How kind!

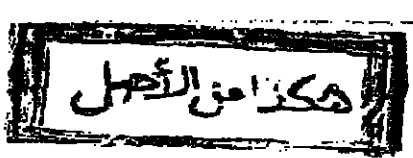
Until Israel complies with UN resolutions and ceases to violate the Geneva convention in respect of the annexation of occupied territory, the prospects of peace are slim. There is no excuse that will justify the inva-

sion of Lebanon. As soon as Israel has disarmed the Lebanese operation, excuses will be manufactured for further expansion. E. A. Reader, 10, Birkdale Avenue, Pinner, Middx.

The Ebic banks bring strength and experience to your financial operations

Advertisement for Ebic banks listing various international branches like Amsterdam-Rotterdam Bank, Banca Commerciale Italiana, etc., and describing their services in Europe, the Americas, and Asia.

Ebic logo and text: Europe's most experienced banking group



UK COMPANY NEWS

Companies and Markets

Steady growth at Refuge Assurance

STEADY GROWTH in new regular premium life and pensions business in the first half of the year is reported by Refuge Assurance. New annual premiums in the industrial branch improved by 7 per cent from £8.2m to £8.6m, while in the Ordinary branch, new annual premiums climbed 9 per cent from £1.96m to £2.14m.

Improvement at Sunbeam Wolsey midway

Taxable profits of Irish-based Sunbeam Wolsey, which manufactures textiles and knitted products, rose from £86,000 to £174,000 for the first six months of 1982 on lower turnover of £10.38m, compared with £10.98m. The directors warn that the serious loss-making areas of operations at Middleton Mills and Tullamore Yarns need urgent attention to keep the group's performance in line with last year.

BBA Group soars to £3m midyear

INCLUDING A sharply higher balance of profit from trading of £6.96m, compared with £4.16m, taxable profits of the BBA Group rose to £3.1m for the first half of 1982, an improvement of £2.44m on the corresponding results of last year.

included an increased share of associate profits at £586,000 (£420,000) and was struck after depreciation charges of £2.33m (£1.99m) and financial costs of £2.11m (£1.92m).

profit in the first half-year from a loss-making position, and the overseas companies showed improved results. The proportion of profits by product divisions were: automotive 52.2 per cent and industrial 47.8 per cent.

The UK interests, heavily loss-making in the same period last year, made a small profit, but they are now heading into stagnation or worse in the motor industry, and Mintex will have to run off redundancy costs from recent cutbacks.

Somportex incurs loss as Slush Puppie profits fall

IN THE second six months to April 30 1982, Somportex Holdings, distributor of confectionery, has fallen into the red to finish the year with a pre-tax loss of £65,000, compared with a profit of £966,000 previously. Turnover dropped from £8.07m to £7.61m.

2.5p to 1.5p net per 25p share. Stated loss per share was 2.05p, against 30.15p earnings previously.

loss had already indicated a lops for the year as far back as last March but what really shook the market was the cut dividend and the message that a return to profitability this year, also forecast last March, is no longer likely.

Wm. Ransom looks to second half

Manufacturing chemist William Ransom & Son has recently acquired a number of new product licences, the benefits of which are expected to show through in the second half of the current financial year.

SAI unchanged at £1.7m for six months on higher sales

UNCHANGED pre-tax profits of £1.7m are reported by Scottish Agricultural Industries, a 62.4 per cent owned subsidiary of Imperial Chemical Industries, for the first half of 1982. Sales however rose from £40.3m to £48.6m.

Government grants account. The most significant influence during the half year has been the severe pressure on selling prices because of competition from both UK supplies and imports.

increase, are highly characteristic over the past 10 years there has been minimal price cutting, while turnover has increased by leaps and bounds.

Needlers in the red at midway but maintained dividend seen

HULL-BASED confectionery manufacturer, Needlers, has recorded a pre-tax loss of £22,467 in the six months to June 30 1982, compared with a profit of £183,082 last time. Turnover slipped from £40.7m to £39.6m.

There were some non-recurring factors which affected Needlers in the period. These included a problem with some finished stock, which was discovered before despatch; the level of orders in the first quarter of the year meant laying off the factory for one week; and a complete stoppage of exports to the Middle East during this period due to various factors, although regular shipments have now resumed.

These and other items accounted for some £90,000 and are not expected to repeat in the second half of the year.

Warning from Dollonds

THE DIRECTORS of Dollonds Photographic Holdings warn in their annual report that intense competition and continued pressure on gross profit margins shows no sign of abatement and that present trading results are insufficient to meet increased rents, rates, salaries and other expenses.

Global Natural dissidents to continue action

The dissident group of Global Natural Resources shareholders is to continue its action before the British courts despite Wednesday's refusal by the High Court to continue an injunction against the company.

Revenue down at midway for New Darien Oil Trust

NET REVENUE of New Darien Oil Trust in the six months to July 31 1982 was sharply reduced from £118,769 to £32,915, after allowing for a tax charge reduced from £128,688 to £55,535.

Earnings per share are stated at 0.33p (1.19p) and net assets are down to £6.02m (£11.94m) taking net asset value per share to 60.3p (119.4p).

Refuge ASSURANCE PLC Half-year Statement 1982. Table with columns for Months 1982, 1981, 1980 and 1981, 1980. Rows include Ordinary Branch (New Sums Assured, New Annuities, etc.) and Industrial Branch (New Sums Assured, etc.).

M. J. H. Nightingale & Co. Limited. Table with columns for High/Low, Company, Price Change, Gross Yield, Fully Taxed. Lists various companies like 128 120 Ass. Bnt. Ind. Ord., 127 120 Ass. Bnt. Ind. Ord., etc.

PHILLIPS PATENTS. Mr J. A. Rowland-Jones, the chairman of Phillips Patents, told the annual meeting that his subsidiary, Kentworth Components, had been sold.

IN BRIEF. GEORGE INGHAM AND CO. (HOLDINGS) - Results for six months to June 30 1982. LONDON & GARTMORE INVESTMENT TRUST - Results for year to June 30 1982.

The Lombard 14 Days Notice Deposit Rate is 11 1/4%. Lombard North Central PLC, 17 Bruton St, London W1A 3DH. For details phone 01-499 3434.

Merrydown's cider sales ahead. Helped by the fine weather in the early part of the summer, cider sales of Merrydown Wine have continued to develop most satisfactorily, says Mr I. A. Howie, the chairman.

PORTSMOUTH BUILDING SOCIETY. Notice is hereby given in accordance with the Society's Rules that as from 1st September 1982 the following rates of interest per annum will be paid on the various types of investment account.

PORTSMOUTH BUILDING SOCIETY. 176 London Rd., North End, Portsmouth. Telephone: Portsmouth (0705) 693311. Member of Building Societies Association.

COMPANY NOTICES. OLYMPUS OPTICAL COMPANY, LTD. (OLYMPUS KOGAKU KOGYO KABUSHIKI KAISHA). NOTICE TO HOLDERS OF BEARER DEPOSITARY RECEIPTS ("BDRs").

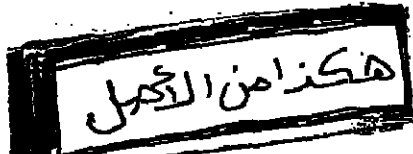
NOTICE TO BONDHOLDERS. TELEFONOS DE MEXICO, S.A. 9 1/2% 1977/1984 Bonds. Pursuant to the provisions of the Purchase Fund, notice is hereby given to Bondholders that during the twelve-month period from August 10, 1981 to August 9, 1982 a principal amount of US\$2,375,000 of above-mentioned Bonds has been purchased in satisfaction of the Purchase Fund.

PERSONAL. ADVERTISER WISHES to represent U.K. Remittance Area. EXCLUSIVE VIDEO CLUB - VHS, Beta, etc. CLUBS. EYE has notified the others because of a change in the value of the pound.

TRAVEL. THE SUN SHINES. all the Sun Holidays. Employment CONDITIONS ABROAD LIMITED. An International Association of Employers providing confidential information to its member organisations.

SUNBELT HOLDINGS SA. (SOCIETE ANONYME). Increase of Share Capital by US\$2,500,000. Following an increase in the authorized share capital from US\$20 million to US\$22.5 million and the issue of 100,000 new shares, the company is pleased to announce that the new shares are now available for subscription.

ART GALLERIES. GALLERIE GEORGE offers unique investment opportunities with Galerie Georges Collection. WHITECHAPEL ART GALLERY, 211, 217, 219, 221, 223, 225, 227, 229, 231, 233, 235, 237, 239, 241, 243, 245, 247, 249, 251, 253, 255, 257, 259, 261, 263, 265, 267, 269, 271, 273, 275, 277, 279, 281, 283, 285, 287, 289, 291, 293, 295, 297, 299, 301, 303, 305, 307, 309, 311, 313, 315, 317, 319, 321, 323, 325, 327, 329, 331, 333, 335, 337, 339, 341, 343, 345, 347, 349, 351, 353, 355, 357, 359, 361, 363, 365, 367, 369, 371, 373, 375, 377, 379, 381, 383, 385, 387, 389, 391, 393, 395, 397, 399, 401, 403, 405, 407, 409, 411, 413, 415, 417, 419, 421, 423, 425, 427, 429, 431, 433, 435, 437, 439, 441, 443, 445, 447, 449, 451, 453, 455, 457, 459, 461, 463, 465, 467, 469, 471, 473, 475, 477, 479, 481, 483, 485, 487, 489, 491, 493, 495, 497, 499, 501, 503, 505, 507, 509, 511, 513, 515, 517, 519, 521, 523, 525, 527, 529, 531, 533, 535, 537, 539, 541, 543, 545, 547, 549, 551, 553, 555, 557, 559, 561, 563, 565, 567, 569, 571, 573, 575, 577, 579, 581, 583, 585, 587, 589, 591, 593, 595, 597, 599, 601, 603, 605, 607, 609, 611, 613, 615, 617, 619, 621, 623, 625, 627, 629, 631, 633, 635, 637, 639, 641, 643, 645, 647, 649, 651, 653, 655, 657, 659, 661, 663, 665, 667, 669, 671, 673, 675, 677, 679, 681, 683, 685, 687, 689, 691, 693, 695, 697, 699, 701, 703, 705, 707, 709, 711, 713, 715, 717, 719, 721, 723, 725, 727, 729, 731, 733, 735, 737, 739, 741, 743, 745, 747, 749, 751, 753, 755, 757, 759, 761, 763, 765, 767, 769, 771, 773, 775, 777, 779, 781, 783, 785, 787, 789, 791, 793, 795, 797, 799, 801, 803, 805, 807, 809, 811, 813, 815, 817, 819, 821, 823, 825, 827, 829, 831, 833, 835, 837, 839, 841, 843, 845, 847, 849, 851, 853, 855, 857, 859, 861, 863, 865, 867, 869, 871, 873, 875, 877, 879, 881, 883, 885, 887, 889, 891, 893, 895, 897, 899, 901, 903, 905, 907, 909, 911, 913, 915, 917, 919, 921, 923, 925, 927, 929, 931, 933, 935, 937, 939, 941, 943, 945, 947, 949, 951, 953, 955, 957, 959, 961, 963, 965, 967, 969, 971, 973, 975, 977, 979, 981, 983, 985, 987, 989, 991, 993, 995, 997, 999, 1001, 1003, 1005, 1007, 1009, 1011, 1013, 1015, 1017, 1019, 1021, 1023, 1025, 1027, 1029, 1031, 1033, 1035, 1037, 1039, 1041, 1043, 1045, 1047, 1049, 1051, 1053, 1055, 1057, 1059, 1061, 1063, 1065, 1067, 1069, 1071, 1073, 1075, 1077, 1079, 1081, 1083, 1085, 1087, 1089, 1091, 1093, 1095, 1097, 1099, 1101, 1103, 1105, 1107, 1109, 1111, 1113, 1115, 1117, 1119, 1121, 1123, 1125, 1127, 1129, 1131, 1133, 1135, 1137, 1139, 1141, 1143, 1145, 1147, 1149, 1151, 1153, 1155, 1157, 1159, 1161, 1163, 1165, 1167, 1169, 1171, 1173, 1175, 1177, 1179, 1181, 1183, 1185, 1187, 1189, 1191, 1193, 1195, 1197, 1199, 1201, 1203, 1205, 1207, 1209, 1211, 1213, 1215, 1217, 1219, 1221, 1223, 1225, 1227, 1229, 1231, 1233, 1235, 1237, 1239, 1241, 1243, 1245, 1247, 1249, 1251, 1253, 1255, 1257, 1259, 1261, 1263, 1265, 1267, 1269, 1271, 1273, 1275, 1277, 1279, 1281, 1283, 1285, 1287, 1289, 1291, 1293, 1295, 1297, 1299, 1301, 1303, 1305, 1307, 1309, 1311, 1313, 1315, 1317, 1319, 1321, 1323, 1325, 1327, 1329, 1331, 1333, 1335, 1337, 1339, 1341, 1343, 1345, 1347, 1349, 1351, 1353, 1355, 1357, 1359, 1361, 1363, 1365, 1367, 1369, 1371, 1373, 1375, 1377, 1379, 1381, 1383, 1385, 1387, 1389, 1391, 1393, 1395, 1397, 1399, 1401, 1403, 1405, 1407, 1409, 1411, 1413, 1415, 1417, 1419, 1421, 1423, 1425, 1427, 1429, 1431, 1433, 1435, 1437, 1439, 1441, 1443, 1445, 1447, 1449, 1451, 1453, 1455, 1457, 1459, 1461, 1463, 1465, 1467, 1469, 1471, 1473, 1475, 1477, 1479, 1481, 1483, 1485, 1487, 1489, 1491, 1493, 1495, 1497, 1499, 1501, 1503, 1505, 1507, 1509, 1511, 1513, 1515, 1517, 1519, 1521, 1523, 1525, 1527, 1529, 1531, 1533, 1535, 1537, 1539, 1541, 1543, 1545, 1547, 1549, 1551, 1553, 1555, 1557, 1559, 1561, 1563, 1565, 1567, 1569, 1571, 1573, 1575, 1577, 1579, 1581, 1583, 1585, 1587, 1589, 1591, 1593, 1595, 1597, 1599, 1601, 1603, 1605, 1607, 1609, 1611, 1613, 1615, 1617, 1619, 1621, 1623, 1625, 1627, 1629, 1631, 1633, 1635, 1637, 1639, 1641, 1643, 1645, 1647, 1649, 1651, 1653, 1655, 1657, 1659, 1661, 1663, 1665, 1667, 1669, 1671, 1673, 1675, 1677, 1679, 1681, 1683, 1685, 1687, 1689, 1691, 1693, 1695, 1697, 1699, 1701, 1703, 1705, 1707, 1709, 1711, 1713, 1715, 1717, 1719, 1721, 1723, 1725, 1727, 1729, 1731, 1733, 1735, 1737, 1739, 1741, 1743, 1745, 1747, 1749, 1751, 1753, 1755, 1757, 1759, 1761, 1763, 1765, 1767, 1769, 1771, 1773, 1775, 1777, 1779, 1781, 1783, 1785, 1787, 1789, 1791, 1793, 1795, 1797, 1799, 1801, 1803, 1805, 1807, 1809, 1811, 1813, 1815, 1817, 1819, 1821, 1823, 1825, 1827, 1829, 1831, 1833, 1835, 1837, 1839, 1841, 1843, 1845, 1847, 1849, 1851, 1853, 1855, 1857, 1859, 1861, 1863, 1865, 1867, 1869, 1871, 1873, 1875, 1877, 1879, 1881, 1883, 1885, 1887, 1889, 1891, 1893, 1895, 1897, 1899, 1901, 1903, 1905, 1907, 1909, 1911, 1913, 1915, 1917, 1919, 1921, 1923, 1925, 1927, 1929, 1931, 1933, 1935, 1937, 1939, 1941, 1943, 1945, 1947, 1949, 1951, 1953, 1955, 1957, 1959, 1961, 1963, 1965, 1967, 1969, 1971, 1973, 1975, 1977, 1979, 1981, 1983, 1985, 1987, 1989, 1991, 1993, 1995, 1997, 1999, 2001, 2003, 2005, 2007, 2009, 2011, 2013, 2015, 2017, 2019, 2021, 2023, 2025, 2027, 2029, 2031, 2033, 2035, 2037, 2039, 2041, 2043, 2045, 2047, 2049, 2051, 2053, 2055, 2057, 2059, 2061, 2063, 2065, 2067, 2069, 2071, 2073, 2075, 2077, 2079, 2081, 2083, 2085, 2087, 2089, 2091, 2093, 2095, 2097, 2099, 2101, 2103, 2105, 2107, 2109, 2111, 2113, 2115, 2117, 2119, 2121, 2123, 2125, 2127, 2129, 2131, 2133, 2135, 2137, 2139, 2141, 2143, 2145, 2147, 2149, 2151, 2153, 2155, 2157, 2159, 2161, 2163, 2165, 2167, 2169, 2171, 2173, 2175, 2177, 2179, 2181, 2183, 2185, 2187, 2189, 2191, 2193, 2195, 2197, 2199, 2201, 2203, 2205, 2207, 2209, 2211, 2213, 2215, 2217, 2219, 2221, 2223, 2225, 2227, 2229, 2231, 2233, 2235, 2237, 2239, 2241, 2243, 2245, 2247, 2249, 2251, 2253, 2255, 2257, 2259, 2261, 2263, 2265, 2267, 2269, 2271, 2273, 2275, 2277, 2279, 2281, 2283, 2285, 2287, 2289, 2291, 2293, 2295, 2297, 2299, 2301, 2303, 2305, 2307, 2309, 2311, 2313, 2315, 2317, 2319, 2321, 2323, 2325, 2327, 2329, 2331, 2333, 2335, 2337, 2339, 2341, 2343, 2345, 2347, 2349, 2351, 2353, 2355, 2357, 2359, 2361, 2363, 2365, 2367, 2369, 2371, 2373, 2375, 2377, 2379, 2381, 2383, 2385, 2387, 2389, 2391, 2393, 2395, 2397, 2399, 2401, 2403, 2405, 2407, 2409, 2411, 2413, 2415, 2417, 2419, 2421, 2423, 2425, 2427, 2429, 2431, 2433, 2435, 2437, 2439, 2441, 2443, 2445, 2447, 2449, 2451, 2453, 2455, 2457, 2459, 2461, 2463, 2465, 2467, 2469, 2471, 2473, 2475, 2477, 2479, 2481, 2483, 2485, 2487, 2489, 2491, 2493, 2495, 2497, 2499, 2501, 2503, 2505, 2507, 2509, 2511, 2513, 2515, 2517, 2519, 2521, 2523, 2525, 2527, 2529, 2531, 2533, 2535, 2537, 2539, 2541, 2543, 2545, 2547, 2549, 2551, 2553, 2555, 2557, 2559, 2561, 2563, 2565, 2567, 2569, 2571, 2573, 2575, 2577, 2579, 2581, 2583, 2585, 2587, 2589, 2591, 2593, 2595, 2597, 2599, 2601, 2603, 2605, 2607, 2609, 2611, 2613, 2615, 2617, 2619, 2621, 2623, 2625, 2627, 2629, 2631, 2633, 2635, 2637, 2639, 2641, 2643, 2645, 2647, 2649, 2651, 2653, 2655, 2657, 2659, 2661, 2663, 2665, 2667, 2669, 2671, 2673, 2675, 2677, 2679, 2681, 2683, 2685, 2687, 2689, 2691, 2693, 2695, 2697, 2699, 2701, 2703, 2705, 2707, 2709, 2711, 2713, 2715, 2717, 2719, 2721, 2723, 2725, 2727, 2729, 2731, 2733, 2735, 2737, 2739, 2741, 2743, 2745, 2747, 2749, 2751, 2753, 2755, 2757, 2759, 2761, 2763, 2765, 2767, 2769, 2771, 2773, 2775, 2777, 2779, 2781, 2783, 2785, 2787, 2789, 2791, 2793, 2795, 2797, 2799, 2801, 2803, 2805, 2807, 2809, 2811, 2813, 2815, 2817, 2819, 2821, 2823, 2825, 2827, 2829, 2831, 2833, 2835, 2837, 2839, 2841, 2843, 2845, 2847, 2849, 2851, 2853, 2855, 2857, 2859, 2861, 2863, 2865, 2867, 2869, 2871, 2873, 2875, 2877, 2879, 2881, 2883, 2885, 2887, 2889, 2891, 2893, 2895, 2897, 2899, 2901, 2903, 2905, 2907, 2909, 2911, 2913, 2915, 2917, 2919, 2921, 2923, 2925, 2927, 2929, 2931, 2933, 2935, 2937, 2939, 2941, 2943, 2945, 2947, 2949, 2951, 2953, 2955, 2957, 2959, 2961, 2963, 2965, 2967, 2969, 2971, 2973, 2975, 2977, 2979, 2981, 2983, 2985, 2987, 2989, 2991, 2993, 2995, 2997, 2999, 3001, 3003, 3005, 3007, 3009, 3011, 3013, 3015, 3017, 3019, 3021, 3023, 3025, 3027, 3029, 3031, 3033, 3035, 3037, 3039, 3041, 3043, 3045, 3047, 3049, 3051, 3053, 3055, 3057, 3059, 3061, 3063, 3065, 3067, 3069, 3071, 3073, 3075, 3077, 3079, 3081, 3083, 3085, 3087, 3089, 3091, 3093, 3095, 3097, 3099, 3101, 3103, 3105, 3107, 3109, 3111, 3113, 3115, 3117, 3119, 3121, 3123, 3125, 3127, 3129, 3131, 3133, 3135, 3137, 3139, 3141, 3143, 3145, 3147, 3149, 3151, 3153, 3155, 3157, 3159, 3161, 3163, 3165, 3167, 3169, 3171, 3173, 3175, 3177, 3179, 3181, 3183, 3185, 3187, 3189, 3191, 3193, 3195, 3197, 3199, 3201, 3203, 3205, 3207, 3209, 3211, 3213, 3215, 3217, 3219, 3221, 3223, 3225, 3227, 3229, 3231, 3233, 3235, 3237, 3239, 3241, 3243, 3245, 3247, 3249, 3251,



Companies and Markets

Heywood Williams into loss midway

A sharp downturn from pre-tax profits of £22,000 to losses of £141,000 is reported by Heywood Williams Group in the six months to June 30, 1982 during which turnover slipped from £15.52m to £15.14m. As last year, no interim dividend will be paid.

However, Mr Ralph Hinchliffe, the chairman, says he expects a more rewarding second half, and the board anticipated being able to recommend a dividend for the year as a whole. Last year, a final 1p per 25p share was paid from pre-tax profits of £247,000.

Interest paid was slightly reduced at £374,000 (£402,000) and there was again no tax charge. The first half saw an extraordinary credit of £213,000 (debit £124,000). Losses per share are stated at 1.7p (earnings 0.4p).

Mr Hinchliffe says that although July has given the company a good start to the second half, the volatility of trading in recent months makes forecasting hazardous.

In addition, this holding company's main businesses of aluminium extrusion and glass distribution both operate on short term order books, which are susceptible to considerable fluctuations.

Heavy losses in January and February were not recovered as quickly as was anticipated, mainly because the upturn in trade immediately following the March budget was not sustained.

Trading during the period was very erratic and was mostly at reduced margins as competitors with surplus capacity fought for business in a weak market, Mr Hinchliffe says.

However, July was a better trading month and a large proportion of the losses have now been recovered, he adds.

The group still holds a significant amount of surplus assets, mainly building land in the UK, which it will continue to realise as opportunities arise, the chairman states.

Pre-tax losses on a current cost basis came through at £198,000.

Gresham Inv. Trust lifted to £1.21m at year end

AFTER allowing for a tax charge increased from £701,000 to £814,000, profits of Gresham Investment Trust are reported up from £1.09m to £1.21m in the year to March 31 1982.

A final dividend of 2.5p per 25p share is proposed, as against 2.53p last year, taking the net payout for the 12 months to 3.5p, up from 3.3p previously.

The net asset value of the group as at March 31 is put at 90p per share.

The group, whose main activity is merchant banking, say it has experienced another successful, and this should be continued in the current period.

Gresham has a very strong balance-sheet and is therefore well placed to take advantage of any upturn in the economic climate, both in respect of its merchant banking activities and

in the investing of share capital in unlisted companies, it says. A record monetary investment in the share capital of unlisted companies was achieved in the period, the group says, and this was done without consciously lowering its investment criteria.

comment

Gresham's conservative investment strategy continues to serve it fairly well. Pre-tax growth has outdistanced inflation by a nose and dividends have been hoisted for the ninth year in a row. However, capital profits are down in the year and consolidated profits (including those of companies of which Gresham owns more than 20 per cent) are barely higher in the period. The company explains away the disappointing consolidated figure by saying that several

new purchases were not added in pro-rata but will make a useful improvement in the current year. Gresham complains that it is unable to find enough suitable investment "situations" for its money, hence the growing pile of cash in its balance sheet, now about £5m. The company remains reluctant to start again in overseas ventures (burnt fingers are still stinging) or push in to high technology areas (like electronics) because of its lack of in-house expertise. Such expertise can surely be bought by a company with the resources of Gresham. Until it starts taking the "venture" in venture capital seriously, Gresham is likely to remain on the sidelines of the capital growth game. The shares, at 81p, point to a 3.7 per cent yield on the improved dividend.

Hill & Smith at £0.45m halfway

FIRST-HALF pre-tax profits of Hill and Smith Holdings have exceeded 1980-81's total of £411,502, emerging at £450,760 compared with £271,116 previously. Turnover for the half-year to March 31 1982 expanded from £7.01m to £9.14m.

Appreciably better first-half figures were anticipated by Mr D. Hodgett, the chairman, in his annual statement last March. He says now that trading remains difficult generally, but that he expects the second-half to continue to be profitably with full year results "significantly better" than those of last year.

The net interim dividend is being effectively increased from 0.9p to 1p per 25p share after allowing for the one-for-one scrip — a final equal to 2.273p was paid for 1980-81. Mid-year stated earnings per share were 3.96p (1.18p).

Tax took £125,000 (nil) and attributable profit totalled £325,760 (£2,577 loss after an extraordinary debit of £99,995). Hill and Smith's principal activities include steel stock-holding, linings and garage and industrial doors.

Scottish Inv. Tst. at £5.2m after 9 months

Increased third quarter taxable revenue of £2.04m, compared with £1.75m, brought the total for the nine months to July 31 1982 at the Scottish Investment Trust to £5.17m as against £4.83m. Gross revenue for the nine months rose from £5.79m to £5.98m.

The net asset value per 25p share at the end of July is given as 17p, a rise of 2.5p over the value a year earlier.

During the nine months the company increased its short-term borrowings from the equivalent of \$4.6m to \$11.6m (£6.6m at current rates). Since the end of July borrowings have been increased by a further \$5m.

At the six-month stage a maintained interim dividend of 1.7p net per share was declared. In respect of the previous year a total of 4.6p was paid.

The geographical distribution of investments at the end of July expressed as percentages compared with October 31 1981, was as follows: UK 43 (38); U.S. 34 (40); Far East 21 (20); Europe and others 3 (same).

Rohan marginally higher at I£1.86m

ALTHOUGH EXTERNAL turnover of Dublin-based Rohan Group dropped from I£12.7m to I£10.32m, pre-tax profits for the first half of 1982 were marginally higher at I£1.86m, compared with I£1.85m.

However, after tax charges up from £0.37m to £0.46m, net profits were down slightly from £1.48m to £1.4m. Stated earnings per 10p share fell from 22.91p to 18.86p, but the interim dividend is being raised by 10.3 per cent to 5.85p net (5.3p) — last year's final was 6.25p. The interim costs £433,477 (£392,510).

The group carries on business as an industrial estate developer, property investor and building contractor. The directors say that the performance of the trading and investment divisions in the face of a severe economic recession has been satisfactory and they expect therefore, that further progress will be made in the remainder of the year.

Unrealised capital profits are not assessed until revaluation at the year end. It is expected that there will be a further substantial surplus on investments in the year.

The build up of the group's investment property portfolio has the effect of increasing its income earning assets at the expense of earnings per share. Net assets per share at June 30 1982 were 22.4p, as against 16.4p a year earlier and 21p at December 31 1981.

In the trading division, the demand for industrial space has generally remained very soft in all areas of operation. However, in isolated pockets and on its major industrial estate at Dublin Airport, the group has managed to create lettings and sales at a reasonable pace.

Furthermore, a 20,000 sq ft office development completed during the period in Dublin has now been fully let to a first class covenant on a 35 year lease, the directors state.

The rent roll now exceeds £1m, compared with £0.75m at the end of June 1981, and the directors say it is well on its way to achieving the figure of £1.3m at the end of this year.

The investment division continues to perform very satisfactorily. The total investment portfolio at cost at the half year amounted to £6.7m. An independent valuation of the portfolio at the end of December 1981 showed a surplus over cost of £4.5m. A further valuation, including those created this year, will be included in the annual report.

The group has maintained a strong liquid position during the period and it is expected that this will continue for the remainder of the year.

Current cost pre-tax profits for the six months were £1.84m (£1.81m) and earnings per share came to 18.5p (22.8p).

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interim or final and the subdivisions shown below are based mainly on last year's timetable.

TODAY		
Company	Meeting	Notes
Applied Machinery	Sept 10	Concrete Machinery, Investment Trust of Guernsey, Ltd. Refrigeration, Scottish Maritime Investment Trust, Wagon Finance, Yorkshire Chemicals, Filinvest, Consolidated Plantations
Barrett Developments	Sept 21	Barrett Developments
British Electric Traction	Sept 2	British Electric Traction

Surmah Valley to modernise tea factory

Surmah Valley Tea still has to complete the major project of modernising its Luskpore factory, says Mr C. B. Stanley, chairman, in his annual review. The company hopes to finalise arrangements in Bangladesh, in the near future, for long term borrowings on very favourable terms to finance this project and other necessary capital works.

RTZ marks time at big Cerro Colorado project

BY KENNETH MARSTON, MINING EDITOR

THE UK-BASED Rio Tinto-Zinc Corporation international mining and industrial group has decided with its Panamanian Government partner, Codemin, not to go ahead for the time being with the next study phase of the huge, but low-grade, Cerro Colorado copper project in Panama "in view of present world economic conditions, particularly those in the copper market."

RTZ, which has a 49 per cent stake in the project, has so far spent some \$80m (£17m) on the preliminary work and in all, Cerro Colorado could cost around \$1.8bn to reach the production stage.

The next study, now deferred, would take about two years to complete and if this justified a decision to go ahead with mining, the project would need a further

three to four years to come on stream. RTZ's decision to mark time on Cerro Colorado is presumably prompted not so much by a bearish view of copper prices in the long term, as by the need, shared with other natural resource groups, to husband financial resources during the current recession.

The partners will "continue periodically to review the status of the project as the world economic situation develops."

The latest move comes hard on the heels of the news that RTZ is to leave until 1984 a decision on whether to take its big Quartz Hill molybdenum prospect in Alaska. RTZ's stake in Cerro Colorado is comprised of a 29 per cent stake formerly held by Codemin (which now has 51 per cent) and

the 20 per cent interest which was held by Texasgulf.

Cerro Colorado presents a challenge of the type which RTZ has successfully overcome, such as the big Bougainville copper-gold operation in Papua New Guinea. Cerro Colorado also lies in a remote mountainous area, between 800 metres and 1,500 metres above sea level on the backbone of Western Panama, where there is a rainfall of about 500 centimetres a year. Studies have outlined potential ore reserves at Cerro Colorado of some 1,300 tonnes with a low average copper grade of 0.75 per cent together with some by-product values of molybdenum and silver. Clearly, the low-grade deposit would need to be worked on a massive scale in order to be a profitable proposition.

No final dividend from RGC

THE cold winds of recession have produced a sad story for the Consolidated Gold Fields group's Australian Renison Goldfields Consolidated (RGC) in the latter's first financial year to June 30 after its reorganisation. No final dividend is being declared by RGC, following an interim of 5 cents (2.8p), and there is a net loss for the year of A\$10.2m (£5.7m). This would compare with a profit of A\$20.1m if the reorganised com-

pany has been in existence in the previous year.

Mr Max Roberts, the chairman, comments: "At the time of the merger, based on the best information available at the time, we were projecting total dividends per share of 80 cents."

However, the collapse of the world copper price in particular, the introduction of tin export controls and the effect of the industrial stoppages in the first half, have had a severe impact on the group.

He adds: "Although the current economic conditions are severely restricting our traditional operations, we still hope to add to our mining activities in commodities which will complement and enhance our existing operations."

"The acquisition of a 50 per cent interest in New Guinea Goldfields and a 100 per cent interest in Tennant Trading (Australia) is indicative of our aim to expand our strategic base."

Globe and Phoenix rises to £68,000; pays same

TAXABLE PROFITS of the Globe and Phoenix Gold Mining Company advanced from £31,412 to £68,250 for the year ended December 31, 1981. Stated earnings per share rose by 7.13p to 10.82p but the dividend is being maintained at 1.25p per stock.

There was a tax credit of £24,649, compared with a charge last year of £31,972, leaving profit at the attributable level well ahead at £92,929, against £29,440. From this dividend payments absorb a same-again £14,041.

The directors say that the Zimbabwe operations continued to show a loss for the first five months of 1982. They say the annual report

and accounts for 1981 will be issued on September 17, pointing out that they were directed by the necessity to clarify certain procedures for the transfer of the Zambian assets to the local subsidiary.

In the opinion of the directors the nature and location of the group's assets do not provide a practical basis for the preparation of current cost accounts.

ASSAM TRADING (HOLDINGS) (property developer, dealer and investor)—Results for year to March 31 1982 already known. Shareholders' funds £7.46m (£5.81m); loans £2.65m (£3.02m); investment properties 16.25m (£5.08m); net current liabilities £238,000 (£25,000 assets); directors' remuneration £219,000 (£243,000). Meeting: York, September 17 11.00 am.

Sungei Besi's profits fall

MALAYSIA'S tin-producing Sungei Besi Mines suffered a sharp fall in tin concentrate production in the year to March 31 owing to reduced operations at the Hong Fatt and the northern section of the No 3/5 opencast. Output dropped to 919 tonnes from 1,368 tonnes in the previous year.

As a result the profit from mining operations dropped to M\$1.78m (£420,000) from M\$8.6m. However, thanks to the important interest income and a sharp fall in tax arising from adjustments in respect of previous years, the net profit comes out at M\$9.9m against M\$6.75m.

A final dividend is declared of 120 cents, less tax at 40 per cent, against 155 cents a year ago.

To the shareholders of GLOBAL NATURAL RESOURCES

Huge losses are projected for your company

YOU SHOULD KNOW THAT:

- McFarlane Oil Company, which your company proposes to acquire, is projected by your company's financial advisers to lose \$6.1 million in the current fiscal year and no less than \$8.0 million in the fiscal year to end February 28, 1984.
- In addition, Global is projected to lose \$2.4 million in fiscal 1982, and a massive \$12.6 million in fiscal 1983. Combined losses in 1983 approximate \$21 million.
- McFarlane's long term debt is projected to increase by over 300 per cent to \$31 million.
- McFarlane's working capital decreased 57 per cent to 5.8 million last year.
- No independent engineering appraisals have been prepared by Global of McFarlane's reserves — a standard procedure in the oil industry.
- 70 per cent of McFarlane's oil reserves and 72 per cent of its gas reserves are categorised as other than 'proved producing' and are thus subject to greater uncertainties and interpretations. Global is relying on McFarlane's valuation of these reserves.
- It is Global's fiduciary duty when making acquisitions of this kind to base them on audited financial statements. Yet, they have entered into an agreement to spend \$44 million of shareholders' money without professionally audited reports.

U.S. District Court prevents McFarlane acquisition
A U.S. District Court in Cincinnati, Ohio, has issued a temporary restraining order preventing the acquisition of McFarlane by Global. It also states that "This Court has determined that plaintiffs motion is well taken and that irreparable injury to the plaintiff will result if the motion is not granted." The complaint, which was filed by Ambassador Marvin L. Warner, a member of the Committee for the Protection of Global Shareholders, also seeks a permanent injunction against the acquisition of McFarlane by Global.

- Global's long term debt will reach no less than \$92.5 million by December 1983 if McFarlane is acquired. This compares with \$7.9 million of long term debt at December 1981. Shareholders equity will total \$100.4 million compared with \$92.4 million at December 1981.
- Global now admits that the estimate of \$49 million of net proven reserves when the deal was announced were valued at only \$25.1 million by Global's financial advisers.
- Global plans to issue 3,250,000 new Global shares for McFarlane prior to Global's September 13th Annual Meeting. These new shares will be issued without your approval and with the expectation that these shares will be voted for Global's incumbent board, thus serving to further entrench Global's current management.

You should vote AGAINST Resolutions 2 and 3 and FOR Resolutions 5 to 20 at the Annual General Meeting on 13th September. Even if you have already voted, you can change your vote and support the Committee's Nominees.

If you have any questions about voting your shares, you should immediately contact the Committee for the Protection of Global Shareholders and its financial advisers, as set out below.

You cannot afford the continued mismanagement of your company
VOTE TO PROTECT YOUR INVESTMENT AND REPLACE YOUR BOARD

THE COMMITTEE FOR THE PROTECTION OF GLOBAL SHAREHOLDERS
 Financial Advisers: Bear, Stearns & Co.
 John H. Slade
 Michael L. Tarnopol
 55 Water Street
 New York
 New York 10041, U.S.A.
 Telephone: 952-7617
 Telex: 222573
 Edward Will
 Fridolin Fackelmayer
 10 - 12 Cophthall Avenue
 London EC2R 7DJ
 England
 Telephone: 588-8901
 (call collect)
 Telex: 3811424

Companies and Markets UK COMPANY NEWS

APPOINTMENTS

Wm. Cook advances to £178,000 and confident for long term

TAXABLE PROFITS at William Cook & Sons (Sheffield) rose to £178,000 for the year ended March 31 1982, an improvement of £40,000 on the previous year's figure.

group manufactures steel castings. The directors say the results reflect the fundamental and permanent reduction in demand for engineering products of which steel castings form a part.

especially under prevailing economic conditions, may lead to trading losses in the short run. However, the directors say they are confident that every step has been taken to ensure a long-term profitable operation.

Avana well placed for surge

HAVING ADJUSTED to one or two severe jolts during last year and reorganised to meet present circumstances, Avana Group is now very well placed for further surge in its prosperity, says Mr J. S. Randall, the chairman.

group manufactures steel castings. The directors say the results reflect the fundamental and permanent reduction in demand for engineering products of which steel castings form a part.

strengthened during the current year by the disposal of certain assets. Principally these comprise the site of the former Robertson jam factory at Brighthelm in Bristol, a large modern warehouse at Rotherwas in Hereford and the former head office of Robertson Foods at Keston, Kent.

BIDS AND DEALS £2m rescue proposal for F. Austin (Leyton)

BY CHARLES BATCHELOR

MR IAN FRASER, managing director and owner of the Bluestone and Elvin furniture group, yesterday announced a proposed £2m rescue of F. Austin (Leyton), the East London furniture-maker.

still to be agreed — for Austin and the investment of up to £2m in the first year of operation. Mr Fraser is acting on behalf of Bluestone, his private company, and not for a consortium as had been suggested earlier, he said in a statement.

B & C backs IML Group with £0.5m

BY CHARLES BATCHELOR

The British and Commonwealth Shipping Company has invested £0.5m in IML Air Services Group, particularly to aid the expansion of IML Air Couriers, the group's express parcels company.

Senior posts at NatWest

BY CHARLES BATCHELOR

Mr Gerry Esam has been appointed regional executive director of NATIONAL WESTMINSTER BANK's City region, from January 1. He succeeds Mr Peter Dods on his retirement.

Mr Gerry Esam has been appointed regional executive director of NATIONAL WESTMINSTER BANK's City region, from January 1.

Mr David Trenbath, chief advances manager of NatWest's domestic banking division, will succeed Mr Esam as deputy general manager, domestic banking division.

RESULTS AND ACCOUNTS IN BRIEF

MUNTON BROTHERS (clothing manufacturer)—Results for year to April 30 1982 reported July 24. Shareholders' funds £1.47m (1981, £1.2m).

holders' funds £1.69m (1981, £1.59m). Fixed assets £72,850 (1981, £76,837). Net current assets £1.1m (1981, £975,975).

April 3 1982, reported July 21. Shareholders' funds £21.81m (1981, £17.74m); fixed assets £14,09m (1981, £12,54m); net current assets £7,23m (1981, £6.4m).

SHARE STAKES

Blackley-Beater has acquired 224,998 ordinary (14.98 per cent). Chubb and Sons — The Kuwait Investment Office holds 4,736,250 ordinary shares.

Director H. R. Sykes has disposed of 844,219 ordinary, reducing his holding to 7.7m shares.

LONDON SHOP/BEAUMONT

At a meeting of holders of the 8 per cent unsecured loan stock 1987-97 of Beaumont Properties ("the Beaumont Stock"), an extraordinary resolution was duly passed sanctioning the proposal for the exchange of the whole of the Beaumont Stock for 81 per cent unsecured loan stock 1987-97 of London Shop Property Trust ("the London Shop Stock").

BRITANNIA ARROW/FINANCIAL PROGS.

Britannia Arrow Holdings' acquisition of Financial Programs was completed on August 25 in Denver, Colorado.

BRITISH RAILWAYS BOARD

has appointed Mr Peter Higham to be director of supply. He was a purchase agent in the London board's Derby-based supplies department. He succeeds Mr Alan Milton, who has retired.

EUROPEAN OPTIONS EXCHANGE

Table with columns: Series, Vol., Nov., Last, Vol., Last, Stock. Lists various options for companies like GOLD, AMRO, and others.

LONDON TRADED OPTIONS

Table with columns: Option, Ex-raise, Closing price, Vol., Closing offer, Vol., Closing offer, Vol., Equity close. Lists options for companies like BP, Shell, and others.

BANK RETURN

Table with columns: Wednesday Aug. 25 1982, Increase (+) or Decrease (-) for week. Lists various banks and their returns.

BASE LENDING RATES

Table with columns: Bank Name, Rate. Lists rates for various banks like A.B.N. Bank, Allied Irish Bank, etc.

BANKING DEPARTMENT

Table with columns: Liabilities, Assets. Shows banking department figures.

ISSUE DEPARTMENT

Table with columns: Liabilities, Assets. Shows issue department figures.

NO PROBES

The following mergers will not be referred to the Monopolies Commission: Certain assets of Dome Energy with BP and London and Scottish Marine Oil.

SECURITY SYSTEMS

has appointed Dr James Ewart Henderson managing director. Formerly chief scientist to the Royal Air Force and member of the Air Force Board, Dr Henderson has been appointed to British Aerospace since 1978.

WINCANTON GROUP

is making the following appointments from September 1. Mr Simon becomes director of transport, rentals and finance, with responsibility for Wincanton Vehicle Rentals, Wincanton Commercial Contracts, Auto-Rentals Nationwide and Group Finance and Systems.

MR SHELDON MARSHALL

has been appointed managing director (managing director designate) of the photographic divisions of COLOUR LIBRARY INTERNATIONAL KEYSTONE PRESS AGENCY and CENTRAL PRESS PICTOS.

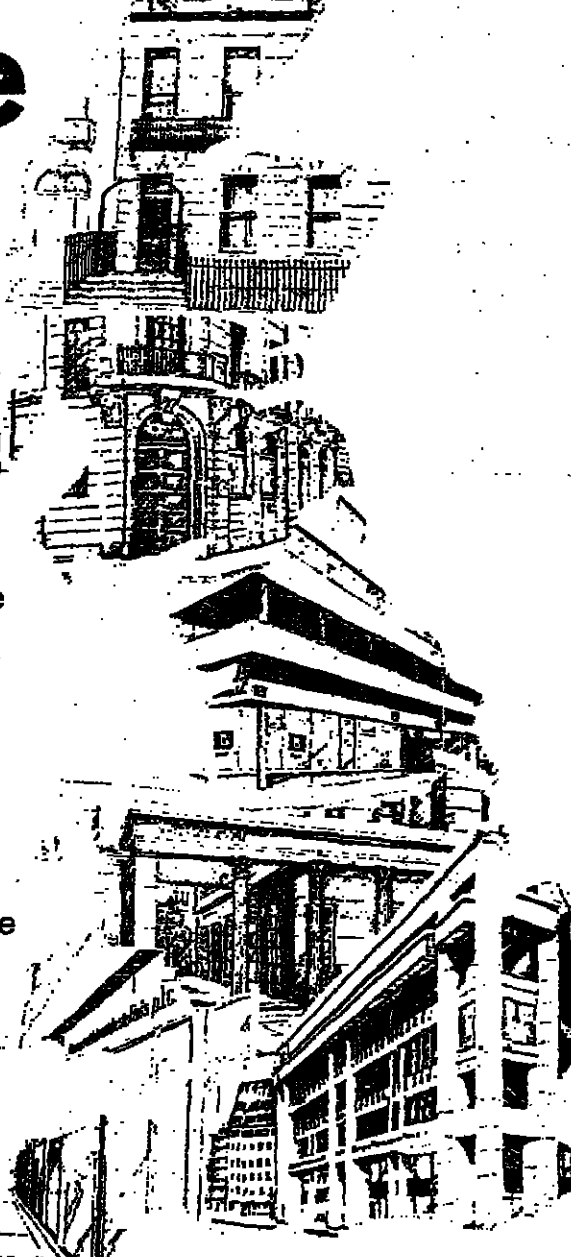
MR A. A. FOSTER

has joined WEARDALE INVESTMENTS as director with special responsibility for its interests in high-technology companies.

CAMEX (HOLDINGS)

has appointed Mr L. Crawley company secretary.

The bank for corporate finance



Established as an international bank in London for well over 100 years, Banque Nationale de Paris p.l.c. provides international and domestic corporate facilities in the UK for large and medium-sized companies

The BNP offices illustrated are located in the main business centres: London: 01-626 5678 Manchester: 061-228 0611 Birmingham: 021-236 9735 Leeds: 0532-443633 Edinburgh: 031-226 6655

As a member of the worldwide Banque Nationale de Paris Group, BNP p.l.c. has the positive advantage of direct contact with the seventy-seven countries in which the Group operates.

Banque Nationale de Paris p.l.c.

8-13 King William Street, London EC4P 4HS, Telephone: 01-626 5678, Telex: 883412 BNP LNB BNP Group Head Office: 16 Boulevard des Italiens, Paris 75009

مركز الاموال

هكنا من الأكل

What happens if your company moves out of London and your clients don't?

You won't know whether you're coming or going. Because you'll have to keep travelling backwards and forwards.

And you may end up spending more time on business travel than you're spending on business.

There are lots of business development areas trying to tempt you to move out of London, and you'll find plenty of them in the newspapers.

But none of them in the London A-Z.

None, that is, except London's Docklands, where you'll be next door to international businesses and the financial institutions.

Not a couple of daisy fields.

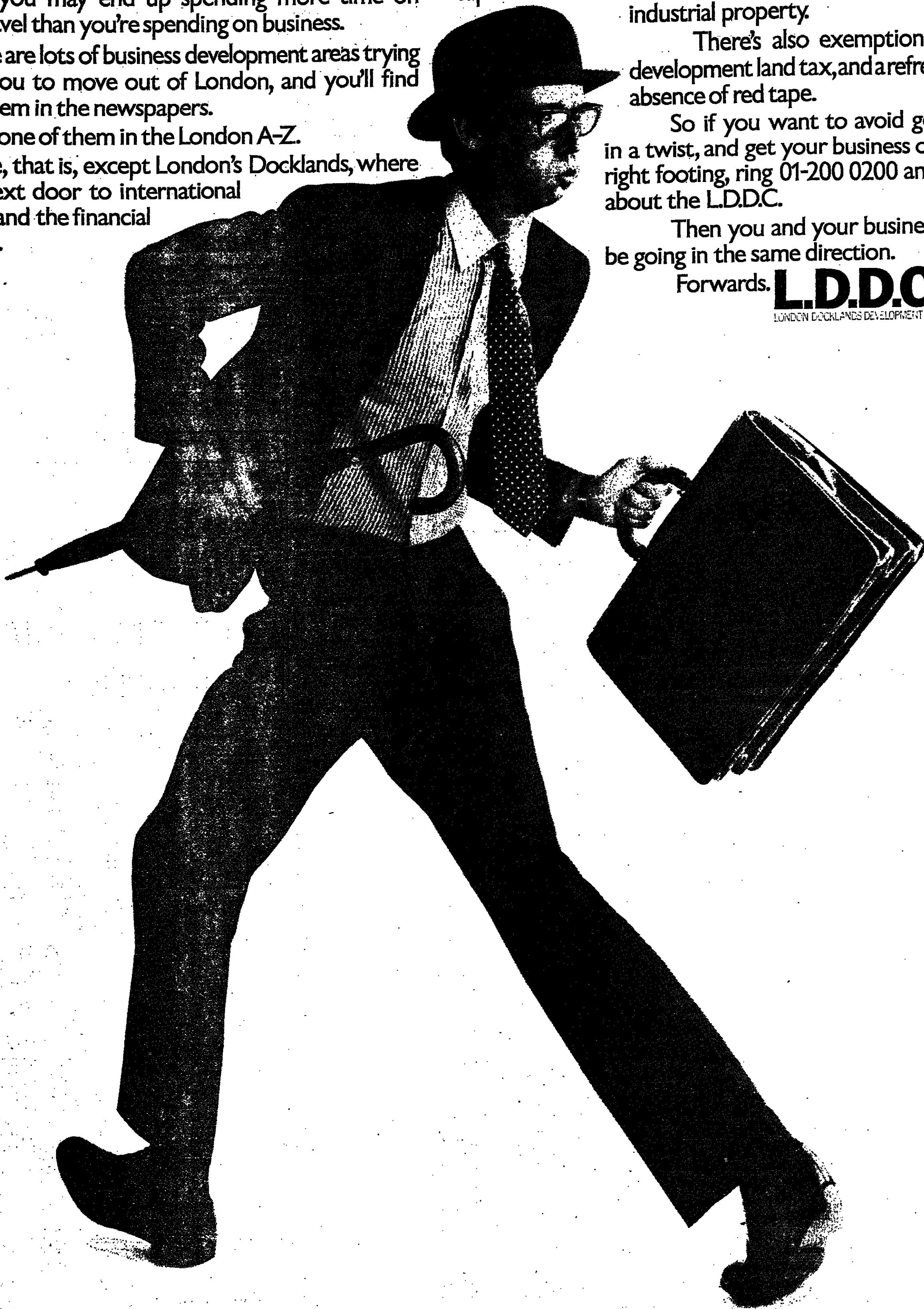
There's an Enterprise Zone which offers you automatic rate exemption for ten years, and up to 100% capital allowances on office and commercial as well as industrial property.

There's also exemption from development land tax, and a refreshing absence of red tape.

So if you want to avoid getting in a twist, and get your business on the right footing, ring 01-200 0200 and ask about the L.D.D.C.

Then you and your business will be going in the same direction.

Forwards. **L.D.D.C.**
LONDON DOCKLANDS DEVELOPMENT CORPORATION



WHY MOVE TO THE MIDDLE OF NOWHERE, WHEN YOU CAN MOVE TO THE MIDDLE OF LONDON?

TS
ts
t

a.l.c
BNP-MS

Companies and Markets

INTERNATIONAL COMPANIES and FINANCE

Richard Lambert looks at the troubles of a major asbestos producer
Manville overwhelmed by lawsuits

HENRY WARD JOHNS, pioneering developer of asbestos products and founder of Manville Corporation, the world's biggest asbestos company, reportedly died of chronic lung disease in 1988. Nearly 70 years later, the first asbestos lawsuit was filed against the company and Manville was on the road to yesterday's petition for protection under Chapter 11 of the Federal Bankruptcy Code.

material effect on the company's liquidity during the next few years, if ever. A few months later, at the beginning of August, Manville omitted its quarterly dividend, and admitted for the first time that its financial health could be seriously damaged by the asbestos issue.

SALES BREAKDOWN

Table with 2 columns: Product Category and Sales (\$000s). Rows include Fibre glass products, Forest products, Non-fibre glass insulations, etc.

impact of lawsuits, and in 1981 Manville included for the first time in its profits statement a debit item for asbestos health costs. It came to \$12.8m, and reduced pre-tax profits to \$112.9m.

for protection under Chapter 11, attributing its problems to claims by former workers who said they had contracted lung disease from working with asbestos pipe insulation produced by the company prior to 1982.

Massey plunges deeper into red

By Robert Gibbins in Montreal Massey-Ferguson, the troubled Canadian farm machinery manufacturer, has incurred a loss of US\$87m or \$1.85 a share for the third quarter in line with forecasts at the annual meeting last May.

Hoogovens cuts its losses sharply at half-year stage

INCREASED PRICES for products from its rolling mills enabled Hoogovens, the Dutch steel group, to record an operating profit of F14m (27.5m) for the first half of this year, compared with F19m in the opening six months of 1981.

Fixed rate dollar bonds mixed

FIXED RATE dollar Eurobonds turned mixed yesterday in somewhat quieter trading as six-month Eurodollar deposits rose nearly 1 point to 11 1/2 per cent.

Esmark lower at nine months

ESMARK, the Chicago-based group which, following a recent reorganisation, now trades in processed foods, chemicals and automotive products, has turned in lower earnings for the third quarter, although the figures are distorted by special factors.

AT&T to sell rest of shelf registration

By Richard Lambert in New York AMERICAN Telephone and Telegraph has agreed to sell 3m of its common shares at \$37.18 a share to a group of dealers consisting of Morgan Stanley, First Boston, Goldman Sachs, Merrill Lynch-White Weld, Capital Markets and Salomon Brothers.

Further sharp increase in profits at Toys 'R' Us

A FURTHER uptick in profits in the second quarter puts Toys 'R' Us, the largest U.S. toy retailer, in a strong position for fiscal 1982. With the all important Christmas season now drawing closer, Toys has pushed earnings ahead by 82 per cent to \$6.9m or 20 cents a share in the first half of the year.

Allis-Chalmers to impose 10% pay cut

ALLIS-CHALMERS, the diversified machinery group, is to impose a temporary 10 per cent pay cut on its 8,000 salaried staff from next week because of continued erosion in most of its markets for industrial and farm equipment.

Dome tries to redeem unit's preferred stock

By Our Montreal Correspondent DOME PETROLEUM is trying to redeem more of the remaining Class A Preferred shares of its Dome Resources financing subsidiary.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of international bonds published next on Tuesday September 14.

Large table with multiple columns: U.S. DOLLARS, DEUTSCHE MARK, STRAIGHTS, CONVERTIBLE BONDS, etc. Includes bond names, amounts, and yields.

Advertisement for A/S EKSPORTFINANS (Forretningsbankenes Finansierings- og Eksportkreditinstitutt). Features a large logo and text: '\$150,000,000', '13 3/8% Sinking Fund Debentures, Due 1992'. Lists various financial institutions.

U.S. business failures at 50-year high

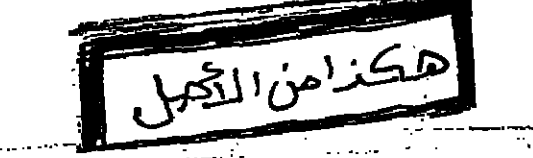
NEW YORK — The failure of 572 U.S. businesses last week was the highest corporate casualty count in 50 years and was up 71 per cent from the same week a year ago, Dun and Bradstreet, the credit rating agency, said.

Bank go-ahead for brokerage services

WASHINGTON — Security Pacific National Bank has been given Government permission to operate a discount brokerage service through a new subsidiary.

Litton slips

Earnings have fallen sharply in the final quarter of fiscal 1982 at Litton Industries, the defence and electronics company. For the full year, net profits total \$314.9m or \$7.69 a share, against \$311.6m or \$7.61 last time.



Companies and Markets **INTL. COMPANIES & FINANCE**

Bayer's first half pre-tax profits decline by 18%

BY KEVIN DONE IN FRANKFURT

BAYER, THE last of the big three German chemicals groups to report its results for the first half of 1982, suffered a drop of 18 per cent in pre-tax profits to DM 722m (\$297m) compared with DM 877m in the corresponding period of 1981.

For the whole of 1981 profits totalled DM 1.4bn, a fall of 10 per cent on the previous year.

BASF, one of its major domestic rivals, recently reported a plunge in group pre-tax profits of 34.9 per cent to DM 545m, while Hoechst suffered a decline of 20.5 per cent to DM 558m.

to DM 18.2bn compared with DM 17.3bn.

In the second quarter Bayer was hit by a further weakening of demand in export markets,

HALF-YEAR RESULTS			
	Pre-tax profit	DM m	% change
Hoechst	558	-20.5	
BASF	545	-34.9	
Bayer	722	-17.7	

while domestic sales were still running at a low level, although slightly better than a year ago.

In the first six months the parent company increased sales

overall by 2.8 per cent to DM 7.2bn with domestic turnover increasing by 4.9 per cent to DM 2.6bn and export sales rising by only 1.7 per cent to DM 4.6bn.

In the second quarter, exports actually showed a decline of 0.9 per cent compared with an increase of 18 per cent in the same quarter last year.

The worldwide economic recession has had a significant impact on Bayer, particularly in the second quarter, when the company suffered from both falling volume sales and declining product prices.

It has been particularly hard hit in the U.S. and in Latin America.

Dutch bank plans major reduction in operations

By Walter Ellis in Amsterdam

NEDELANSCHE Credietbank (NCB), the fifth largest bank in Holland in which Chase Manhattan of the U.S. has a 31 per cent shareholding, plans a major rationalisation programme aimed at a substantial pruning of operations over four years.

The bank, which this week reported a drop of 40 per cent in first half 1982 earnings, is to close 40 of its smaller branches—out of a total of 115—with the loss of 400 jobs. Current staff totals 2,592.

At the same time, NCB is to open a new bank, NCB-Retailbank, to coordinate its savings and mortgage activities.

It is hoped that the effect of the restructuring will be a healthier, more streamlined bank "tailored to the needs of an industrial country in a recession." The board estimates a return on their planned investment of 15 per cent by 1986, with saving on personnel costs of about 20 per cent.

Like other Dutch banks, NCB has been badly affected by the continuing surge of Dutch bankruptcies and bad debts, and there were rumours early yesterday that the board was about to make an announcement of serious retrenchment. Shares were suspended on the Amsterdam Stock Exchange pending clarification, but trading is expected to re-open today.

Chase Manhattan yesterday declined to say precisely what impact NCB's cuts would have on its \$16m investment.

Move for UAE stock exchange

AGREEMENT in principle appears to have been reached for setting up a stock exchange in the United Arab Emirates (UAE). AP-DJ reports from Manama, UAE officials were quoted by the Dubai English-language newspaper Gulf News this week as saying the exchange would be set up in Dubai or Sharjah. Kuwait is the only Gulf state which has a stock exchange at present.

The projected UAE stock exchange officials said, would "put a limit to the upper value or maximum price to which a share can appreciate, thus preventing false inflation of shares which was a factor in the problems on the Kuwait stock exchange last year."

German Brown Boveri sales dip

BY JONATHAN CARR IN BONN

Brown Boveri of Mannheim, the German subsidiary of the Swiss electrical engineering group, failed to improve profits in the first half year, with falling sales and stagnating orders.

The company said that despite further rationalisation measures, earnings had been squeezed by rising personnel and materials costs. Strong competition meant the increased costs could not be passed on in higher prices.

Last year German Brown Boveri suffered a 34 per cent fall in after-tax profits to

DM 20.2m (\$8.3m) despite a rise of 17 per cent in group turnover to DM 4.7bn.

In the first half of this year, group external sales fell by 4 per cent from 1981 levels to DM 1.84bn, while incoming orders were up by 1 per cent to DM 2.55bn.

However, these figures include the results of Petercem, the French company in which Brown Boveri took a majority stake last year. If these results are excluded, then Brown Boveri first half sales were down by 7 per cent and orders

down by 1 per cent.

While foreign sales, which make up 43 per cent of group turnover, stagnated in the first half after registering a sharp rise last year, domestic sales fell—reflecting the current weakness of the German economy as a whole.

However, the company expects turnover for the whole year to be about the same as last year's, because several large sales items, already assured, will be entered in the accounts only in the second half.

Poor start for International City Holdings

By Our Hong Kong Correspondent

International City (Holdings), the Hong Kong property group that came to the market last summer, reports net profits of HK\$66.3m (US\$14.6m) for the first half of 1982.

The results confirm that profits for the whole of this year are likely to fall well short of the HK\$500m forecast contained in last year's listing prospectus.

Mr Li Ka Shing, chairman, said the current economic climate and depressed property market in Hong Kong have no relation to the conditions prevailing at ICH's launch last year. Describing the property market as "stagnant," he said it would take some time before the recent decline in interest rates had any impact on earnings.

At the pre-tax level, ICH profits amounted to HK\$109.9m on turnover of HK\$3110.9m.

The interim dividend was struck at 1.5 cents a share. Its only previous and final dividend was 1.5 cents for 1981.

The company's leading shareholders are Cheung Kong (Holdings) with 38 per cent and Hongkong Electric Holdings with 29 per cent.

DFDS expects loss for year

By Hilary Barnes in Copenhagen

DFDS, the Danish shipping group, expects a group loss for 1982, compared with earnings of Dkr 126m (\$14.9m) last year.

Establishment costs connected with the North American cruise line project—Scandinavian World Cruises Bahamas—were twice as high as expected at about Dkr 50m as a result of problems with the conversion of vessels.

DFDS has also suffered heavily on its Nordana Line between the American Gulf and the Mediterranean following the U.S. trade boycott against Libya and the war in the Lebanon.

The North Sea ferry lines have performed satisfactorily, however, including the former Swedish Tor Line Services.

The Lauritzen shipping line expects improved operating profits for 1982. The weakness of the bulk tanker market is depressing earnings but the group says it stands to gain from the strength of the dollar.

Chemicals and oil sectors depress earnings at Veba

BY OUR FRANKFURT STAFF

VEBA, West Germany's largest industrial concern, suffered a 13.4 per cent decline in group pre-tax profits to DM 470m (\$204.4m) in the first half of 1982 compared with DM 543m.

Group turnover increased modestly by 4 per cent to DM 24.6bn compared with DM 23.7bn a year ago.

The chief increase in sales was achieved by Veba's electricity supply division which boosted turnover by 14.7 per cent to DM 4.5bn, helped by a 3.4 per cent rise in power generation.

Veba's service activities also increased turnover by 5.2 per cent to DM 10.6bn, of which trading accounted for DM 9.2bn (up 3.9 per cent) and transport DM 1.4bn (up 14.2 per cent).

The group was hit by declining sales in all other major production sectors with a drop of

1.6 per cent in turnover from oil refining and marketing to DM 5.8bn, a fall of 2.1 per cent in chemicals to DM 3.3bn and a decline of 4.1 per cent in glass manufacturing to DM 281m.

Price increases for oil products mask a bigger fall in volume sales of 5.5 per cent to 6.3m tonnes, while the volume of chemicals sales fell by 11.6 per cent to 2.2m tonnes.

In chemicals, Veba is being forced to cut its workforce, impose short-time working in some sectors and to close some plants. The chemicals workforce was cut by 3.8 per cent to 22,763 in the first half of the year with the loss of nearly 1,000 jobs.

The chemicals subsidiary is suffering its worst problems in commodity plastics, especially PVC (polyvinyl chloride), and fertilizer businesses.

Dunlop may have to cut Sumitomo Rubber stake

BY RICHARD C. HANSON IN TOKYO

CHANGES in the rules for listing on the Tokyo Stock Exchange may require Dunlop, the British tyre maker, and other major shareholders in Sumitomo Rubber Industries to reduce their share of ownership.

Dunlop currently holds 40 per cent of Sumitomo, one of Japan's leading rubber companies. Other major shareholders are Sumitomo Electric, Sumitomo Corporation and the Long-term Credit Bank of Japan.

Sumitomo Rubber is listed on the second section of the Tokyo market. It has been quietly informed by the authorities that any company in which the top 10 shareholders control more than 50 per cent of the stock, as is the case for Sumitomo, will no longer qualify for listing.

Sumitomo has yet to work out a plan for reducing the

ratio of ownership by Dunlop and others. Dunlop's ties with Sumitomo go back two decades and include a technical agreement which expires in 1984.

The move is intended to make more shares available for general public trading on the Tokyo stock exchange. Along with an adjustment in ownership of the major shareholders, Sumitomo also intends to make a new share issue sometime later this year.

Sumitomo Rubber, meanwhile, reports sales for the half-year ended June, 1982, up 6 per cent to Y86.4bn (\$44.2m). Net profit gained 5.8 per cent to Y65m. Tyre sales were weak. Sports products, such as golf balls and other specialty products, however, jumped 35.5 per cent and 27.7 per cent, respectively.

Exports, about a quarter of sales, fell 14.5 per cent.

Exports suspension hits Daihatsu Motor results

BY YOKO SHIBATA IN TOKYO

DAIHATSU MOTOR, a member of the Toyota group specialising in the production of small cars, reports a 19.5 per cent setback in unconsolidated operating profits to Y6bn (\$38.8m) in the year ended June, 1982. The decline in earnings resulted from higher depreciation charges and a suspension of exports to Argentina and Chile due to deteriorating economic conditions.

Daihatsu's full year net profits were 1.7 per cent lower at Y5.17bn, on turnover of Y400.69bn, which was up by 5.9 per cent from the previous year. Earnings per share were Y13.65, compared with Y14.37.

The company sold 463,589 vehicles, a drop of 3,440 units from the previous year, with domestic unit car sales of 330,513 vehicles (up 9.9 per cent) and export sales of 133,076 vehicles (down by 17.4 per cent). The suspension of exports to Argentina and Chile resulted in an annual market loss of around 4,000 units a year. Domestic sales of minivans however fared well, increasing by 21 per cent.

Despite a Y8.1bn increase in sales, gross operating profits fell 31 per cent to Y3.05bn, largely due to higher labour costs (up by Y8.5bn) and higher expenses (up by Y4.1bn).

Daihatsu's capital outlays for the year totalled Y20.7bn following the previous year's expenditure of Y33.1bn.

The company is forecasting sales of 630,000 vehicles, a rise of 5 per cent, but the continuing high level of depreciation and higher steel prices are expected to keep operating profits for the current year down to last year's level of Y6bn. Net profits are forecast at Y5bn, on turnover of Y420bn.

This advertisement complies with the requirements of the Council of The Stock Exchange. It does not constitute an invitation to subscribe for or purchase any securities.



Fluor Finance N.V.

(Incorporated under the laws of the Netherlands Antilles)

U.S. \$100,000,000

1 1/2% Notes Due September 15, 1989

The Notes will be unconditionally guaranteed by

Fluor Corporation

(Incorporated under the laws of the State of Delaware, U.S.A.)

The following have agreed to purchase the Notes:

MORGAN GUARANTY LTD

- AMRO INTERNATIONAL LIMITED
- DEUTSCHE BANK AKTIENGESELLSCHAFT
- SMITH BARNEY, HARRIS UPHAM & Co.
- UNION BANK OF SWITZERLAND (SECURITIES) LIMITED
- YAMAICHI INTERNATIONAL (EUROPE) LIMITED
- CREDIT SUISSE FIRST BOSTON LIMITED
- LEHMAN BROTHERS KUHNS LOEB INTERNATIONAL, INC.
- SWISS BANK CORPORATION INTERNATIONAL LIMITED
- S. G. WARSBURG & Co. LTD.

The Notes issued at 100 per cent in denominations of US \$5,000 have been admitted to the Official List by the Council of The Stock Exchange subject only to the issue of the temporary global Note. Interest on the Notes is payable annually in arrears on September 15, commencing September 15, 1983.

Particulars of the Notes are available in the External Statistical Service and copies may be obtained during usual business hours up to and including September 15, 1982 from:

- Pannure Gordon & Co. 9 Moorfields Highwalk London EC2Y 9DS
- Morgan Guaranty Ltd 30 Throgmorton Street London EC2N 2NT

August 27, 1982



The Republic of Panama

U.S. \$70,000,000

Floating Rate Serial Notes due 1990

For the six months 31st August, 1982 to 28th February, 1983

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest has been fixed at 12 1/4 per cent per annum, and that the interest payable on the relevant interest payment date, 28th February, 1983 against Coupon No. 9 will be U.S. \$847.56.

The Industrial Bank of Japan, Limited Agent Bank

The Industrial Bank of Japan, Limited Agent Bank

August 27, 1982

US \$50,000,000

GTE Finance N.V. GTE

Floating Rate Notes Due 1987
Convertible into 10% Bonds Due 1992

In accordance with the terms and conditions of the Notes, notice is hereby given that for the Interest Period commencing on August 31, 1982 the Notes will bear interest at the rate of 12 1/4% per annum. The interest payable on the relevant interest Payment Date, February 28, 1983 against Coupon No. 5 will be US\$306.38 and the Conversion Interest Amount will be US\$1.39 per Note converted.

Interest Determination Agent
ORION ROYAL BANK LIMITED

All of these securities having been sold, this advertisement appears as a matter of record only.

\$350,000,000

International Bank for Reconstruction and Development

\$250,000,000

13.45% Five Year Notes of 1982, due September 1, 1987

\$100,000,000

13 3/8% Ten Year Notes of 1982, due September 1, 1992

Merrill Lynch White Weld Capital Markets Group

Merrill Lynch, Pierce, Fenner & Smith Incorporated

Salomon Brothers Inc

Morgan Stanley & Co.

Incorporated

The First Boston Corporation

Goldman, Sachs & Co.

August 19, 1982

Oesterreichische Kontrollbank Aktiengesellschaft

US\$100,000,000
Guaranteed Floating Rate Deposit Notes 1987

Guaranteed by the Republic of Austria

Notice is hereby given pursuant to the Terms and Conditions of the Notes that for the Interest Period commencing on August 31, 1982 the Notes will carry an interest rate of 10 1/4% per annum. On November 30, 1982 interest of US\$13,191.84 will be due per US\$500,000 Note against Coupon No. 3.

Agent Bank
ORION ROYAL BANK LIMITED

losses stage

mixed

months

SERVICE

THE PROPERTY MARKET BY WILLIAM COCHRANE

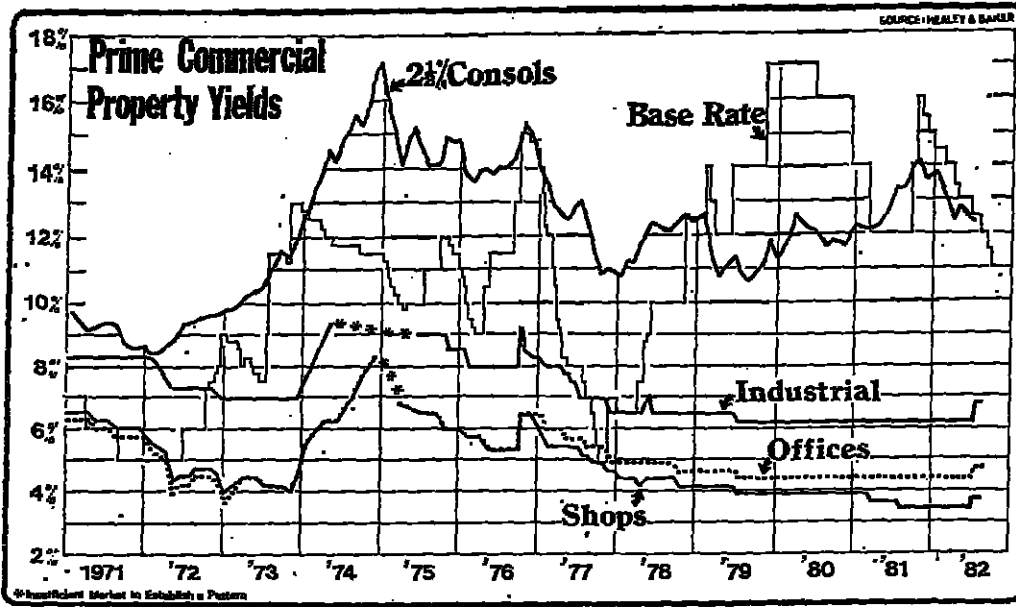
Yield structure: agents bite on the bullet

PRIME commercial property yields have moved up in the past three months, and they could rise again in the autumn. Three major firms of estate agents have now said, or are about to say, that yields have moved up during the summer, and at least one of them accepts that September will be a testing time for the market.

Both firms advise caution, due to the relatively quiet state of the investment market during the holiday period. Iain Reid of Richard Ellis says that while the feature of the market this month has been the small number of deals taking place, he had been surprisingly upbeat for a particular investment in this period.

It is difficult to be sure that yields have settled down at the rates recorded and a clearer picture will doubtless emerge over the next few weeks. Mr Orchard-Lisle thinks the market could move either way next month. It has had a lot to assimilate, and speculate upon, lately.

On the other hand, bank base rates have been moving down in 10 easy stages from 16 per cent to 11 per cent since the final quarter of 1981. This is unlikely to exert downward pressure on commercial property yields, steady as they have been against a widely fluctuating base rate pattern over the past 18 months.



Taylor Woodrow in Tampa

Taylor Woodrow's American property subsidiary has acquired a 10.4 acre site for \$1.4m (£795,000) within the airport service centre immediately adjoining Tampa International Airport, Florida. It plans a 140,000 sq ft office development, with construction starting in around four months time.

Science park concept under examination

LIKE WINE, good ideas do not always travel well. Science parks extensively developed in the U.S. may be a case in point. The cost and availability of land in the UK, together with transport, environmental and other considerations — such as an apparent shortage of academic entrepreneurs in this country — suggest that the concept will need careful tailoring to succeed here.

A number of developments proposed and marketed as science parks does not fall within this definition, he says; the similar, but more honest-sounding high technology developments "may well be a more appropriate concept for a number of UK situations."

PRIME REGIONAL INDUSTRIAL AND DISTRIBUTION LOCATION. Adjoining M1/M69 (J21) Intersection. 3 1/2 miles to Leicester City Centre. Sites on Phase II of this 28 acre development are now available.

CENTRAL PRESTON. Freehold for Sale by Private Treaty. 25B & 26 Windley Square. 4-storey building with planning approval for Change of Use to Offices.

HOTELS AND LICENSED PREMISES. FOR SALE BY TENDER. The RED LION HOTEL. Whitlandford Bridge, Cambridge.

INTERNATIONAL PROPERTY. INVEST IN AUSTRALIA. Established egg producing business for sale at \$2.1 million (Aust.). A 44,000 layer complex fully licensed and self-supporting with a minimum of labour.

ISLE OF MAN DOUGLAS. SMALL LUXURY HOTEL. RESTAURANT & BARS. Centrally situated. Sea Views. Modernised to Luxury Standard.

5,500-11,000sq. ft. SUPERB AIR CONDITIONED OFFICES. SHORT OR LONG LEASES. HOUNSLOW. 01-584 4956

A FINANCIAL TIMES SURVEY. NORTH AMERICAN REAL ESTATE. FRIDAY OCTOBER 15 1982. Copy date in London, October 1st, in New York, September 24 1982.

SWITZERLAND. FOREIGNERS can buy apartments (freehold) on LAKE GENEVA. In Montreux near Levensau, or all year round resorts: St. Cergues near Geneva, Villars, Vevey, Les Diablerets, Leysin, etc.

RICHARD TURNER & SON. BEECH HOUSE, BENTHAM. TEL: BENTHAM (0468) 61444. 24 Acres Prime Industrial Development Land, Snaygill, Skipton, Yorks.

FOR SALE SOUTH LAKELAND. A MAGNIFICENTLY LOCATED PURPOSE-BUILT CONVALESCENT HOME SITED IN 6 ACRES OF LANDSCAPED GROUNDS.

5000-12000sq. ft. OFFICES HOUNSLOW. GIBBS ROAD. 01-584 4956

- 1 Introduction: After enjoying an unprecedented boom in the 1970s, the U.S. Real Estate market has run into problems of overcapacity, softening yields and economic recession. The mood is currently one of uncertainty both about the extent of retrenchment and the timing of a recovery.

By Owner PRIME SHOPPING CENTRE SITE. STATE OF WASHINGTON. Sale or Joint Venture. Comprehensive market survey just completed.

COTSWOLD MARKET TOWN. Long established quality home furnishings, 15,000 Sq. ft. premises including showrooms, workshops plus private car park.

OFFICES TO LET. PRESTIGE OFFICES (Close Town Centre & Station). 15,000 SQ FT TO LET. Air conditioned. Fully furnished.

LAND FOR SALE. WORTHING SUSSEX. Land Building Permission. 7 Detached Houses. Very Central.

CREWE, CHESHIRE. 23 ACRES PRIME DEVELOPMENT LAND FOR SALE FREEHOLD. As a whole or in parts. For light industrial or residential development.

IF YOU HAVE A HIGH INCOME LET IT PRODUCE A CAPITAL ASSET IN SWITZERLAND. Developers are offering 70% to 90% finance at only 7% rate of interest for a 20-year term to purchase 1-2-3 bedroom properties in several Alpine resorts.

DO YOU HAVE A CONTINENTAL HEADACHE? Our services can bring you quick relief. We are a U.K. based property management company employing Anglo-French staff who are highly experienced in letting and general property management.

LITTLEHAMPTON, SUSSEX. Freehold Industrial Investment and Development Site. Total Site Area 7.9 Acres approx.

PARTNERSHIP OR COMPANY? ESTATE AGENTS & ARCHITECTS SURVEYORS & PATENT AGENTS & OTHER PROFESSIONALS. TAX PLANNING SEMINAR SAVOY HOTEL.

FACTORIES AND WAREHOUSES. TO LET ON NEW LEASE - Suburb on Thames. Modern Warehouse 14,500 square feet. All Services. Fully Equipped.

WANTED. 75% IBA AVAILABLE. Completion March 1983. Total purchase price £620,000. Practice scheme. Contact Property.

COMMERCIAL AND INDUSTRIAL PROPERTY APPEARS EVERY FRIDAY. The rate is £27.50 per single column centimetre.

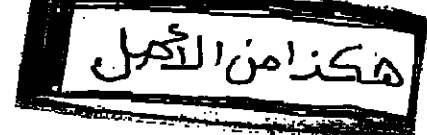
INVESTMENT & LAND DEVELOPMENTS. Freehold land with planning permission & planned residential developments in a desirable location.

FOR SALE - \$7,000,000 cash. 25-Storey Office Building. Current 10% return. Great capital potential. Major city in the U.S.A.

FLORIDA. Luxury homes in the most beautiful and peaceful part of the "Sunshine State". Ask me how you can live in one without the usual hassles and judge your quality for yourself.

U.S. III. Grain Farm. 320 ACRES. WHEAT, SOYBEANS, CORN FARM. \$2,200 per acre. Call for info. 1312 5847394 evening

COMMODITIES AND AGRICULTURE



Companies and Markets

Thais and Soviets in barter deal

THAILAND has agreed in principle to a Soviet proposal to barter 200,000 tonnes of maize for 100,000 tonnes of fertiliser.

Details of the barter deal have still to be worked out, but Thailand would make the exchange if it has a good maize crop next year or if the local maize price declined.

● BRAZIL'S Grains and Oilseeds Newsletter estimates the forthcoming soyabean crop at between 14.28 and 14.75m tonnes, compared with 12.80m tonnes last season.

● ORKNEY'S new £1.5m abattoir complex at Hatston near Kirkwall, is fully operational. Orkney Meat was yesterday. It intended to promote a branded product with a number of major customers including supermarkets chains throughout the UK.

● JAPAN'S rice crop this year is expected to be 10.7m tonnes or more, the Agriculture Ministry said.

● PEANUT stocks held in U.S. commercial storage as of July 31 amounted to 753.0m lbs, compared to a revised 1,038.6m lbs a month earlier and 418.3m lbs a year ago.

● MR BRIAN JEFFRIES has been appointed European director of the New Zealand Meat Producers Board from September 1 1982.

● FRENCH wheat and barley deliveries this season are expected to rise and maize deliveries to fall from 1981-82 levels. The Grain Intervention Board, in its first official estimate of 1982-83 deliveries at 20.5m tonnes against 19m last season, barley at 6.2m against 6m and maize, 7.5m against 7.4m.

● U.S. FARMERS will receive an estimated \$2bn in advance deficiency payments soon after October 1. The early payments to wheat, feedgrain, cotton and rice farmers will represent 50 per cent of the expected deficiency payments for the 1983 crop and 70 per cent of the payments for this year's crop.

Further advance in tin market

By John Edwards, Commodities Editor

TIN PRICES advanced to new six-month highs on the London Metal Exchange yesterday. But other base metals were relatively flat to follow the surge in gold, by \$17.5 to \$416.5 a fine ounce—the highest level since mid-December.

Silver rallied in line with gold; the bullion spot price was raised by 14.45p to 459.05p a troy ounce at the morning fixing. Free-market platinum was \$7.35 up at \$199.75 a troy ounce—the highest level since the end of April.

Higher grade cash copper closed 55 higher at \$243 a tonne but the market ran out of steam in late trading. There was little consumer demand and in addition there were reports that China was seeking to take delivery of copper purchases from the U.S. and European refiners rather than from LME warehouses.

Cash tin closed \$50 up at \$7,425 a tonne. The market opened higher encouraged by another rise overnight in Penang taking the Straits tin price up by \$M0.21 to \$M 29.52 a kilo.

This second successive gain put Straits tin \$M0.37 above the International Tin Agreement "floor" of \$M 29.15 and provides further confirmation that the buffer stock of the International Tin Council is gradually establishing control of the market, as the export quotas begin to bite.

Offerings in Penang fell to 125 tonnes, against 233 tonnes previously, and are expected to remain low as the July/September period quotas become exhausted.

In London, there is believed to be continued support buying by the buffer stock on a small scale, with additional support coming from speculative sources.

Cash tin closed \$50 up at \$7,425 a tonne.

On the London metal market, tin prices continued to ease yesterday with the main factors being the weakness of sterling against the dollar.

In the morning the London three-year low, at \$91 per tonne, with the white price down to \$106, its lowest level since August 1979.

Overnight trading had seen sugar fall to new life of contract lows only to rally during the day on news of physical purchases by Yemen of 25,000 tonnes, and of buying tenders for whites to be held in early September by both Jordan and Egypt.

There was still no further information on Iraq's buying tender but Syria is to seek two cargoes of whites as previously announced at a tender on August 31.

Danes attack German cod decision

By Hilary Barnes in Copenhagen

DANISH Fisheries Minister Mr Karl Bjortnæs described the West German Government's decision to allow fishermen to catch 2,000 tonnes of cod off West Greenland, starting at the end of this month, as "totally unacceptable."

The EEC Commission has awarded Germany a cod catch quota of 10,000 tonnes off West Greenland. But in the Danish view the Germans can only begin to utilise the quota after negotiations on the EEC fisheries policy, which were stalled by Denmark in July, are completed.

The Fisheries Ministers are due to meet again on September 21. Mr Bjortnæs said the Germans seem to be trying to separate the Greenland fisheries issue from the rest of the EEC fisheries policy and to avoid any negotiations on the EEC fisheries policy until the Fisheries Ministers are due to meet again on September 21.

Mr Bjortnæs said the Danish view is that the EEC fisheries policy is a decision on the part of the Greenlanders to be able to decide what should happen with the fish in their own waters, is one of the main reasons for the EEC's irregularity in Greenland.

Disappointment with EEC fisheries policy and a desire on the part of the Greenlanders to be able to decide what should happen with the fish in their own waters, is one of the main reasons for the EEC's irregularity in Greenland.

New rubber talks planned

By Hilary Barnes in Kuala Lumpur

KUALA LUMPUR — Ministers of three main natural rubber producing states, Malaysia, Indonesia and Thailand, will meet here soon to discuss decisions reached at the Rubber Association of Natural Rubber Producers Countries (ANRPC) meeting, Malaysia's Primary Industries Minister Mr Paul Leong said yesterday.

Mr Leong told a news conference after meeting the Rubber Association of Natural Rubber Producers Countries (ANRPC) meeting, Malaysia's Primary Industries Minister Mr Paul Leong said yesterday.

That Minister of Agriculture, Mr Chuan Leekhal, that both countries were agreed that the ANRPC should take steps to strengthen the rubber market.

FARMER'S VIEWPOINT A hit-and-miss harvest

By Hilary Barnes in London

MY MAIN harvest started with wheat on August 2—the earliest I have known since the drought of 1976. But since then it has degenerated into a hit-and-miss affair, and I grabbed what I could between the "fronts" predicted by the weather forecasters.

Not that their predictions were particularly reliable. It is only closing down the farm and going fishing just because Jack Scott and his friends say it is going to rain. I have reverted to my ancestors' techniques of looking at the weather and the barometer and hanging about until the combines can start.

Once I had got the wheat sown, I persevered with every field as if it were ripe, leaving the barley and oats to be gathered when I could. Yields became so low that about 25 years ago that gave up trying to grow them, but after a 20-or-so-year gap they seem to be thriving as if on virgin soil—but I shan't be carried away.

I tackled the oats after the wheat and had a good couple of weeks. The crop was just right and yielded over 21 tonnes an acre—very good for spring oats. But it is a miserable crop to handle through a modern dryer as it won't run through the works as swiftly as barley and wheat. The oat acreage in Britain is falling, as there is not much of an outlet except for horses and Scotsmen. But oats can be fed whole to sheep, and if I cannot get my price my ewes will eat them.

Oats fit quite well into what might be called a rotation as they do not pass on the diseases which afflict wheat and barley. They also yield much better than they used to. This is partly due to improved varieties, but more particularly in my case because I have not grown them on my land for many years. Yields became so low that about 25 years ago that gave up trying to grow them, but after a 20-or-so-year gap they seem to be thriving as if on virgin soil—but I shan't be carried away.

Spring barley has not been offering very sound sample prices. The crop was just right and yielded over 21 tonnes an acre—very good for spring oats. But it is a miserable crop to handle through a modern dryer as it won't run through the works as swiftly as barley and wheat. The oat acreage in Britain is falling, as there is not much of an outlet except for horses and Scotsmen. But oats can be fed whole to sheep, and if I cannot get my price my ewes will eat them.

Producers meet over coffee pact talks

By Our Commodities Editor

COFFEE producers are holding a series of meetings to establish their positions before the International Coffee Organisation meets in London from September 6-7.

Prime purpose of the London talks will be to complete negotiations of the proposed new International Coffee Agreement, due to come into force from October 1 1983.

The main outstanding issue to be resolved is the distribution of basic export quotas among the producing countries. Extension of the existing agreement for a year, from October 1982 to September 1983, is supposed to be conditional on export quotas being decided.

The lack of frost damage to the Brazilian crop this year means that Brazil is likely to take a tougher line in demanding an increased share of the world market at a time when other producers are faced with carrying heavy surplus stocks.

In Nairobi, African coffee growers were urged to stick together at the September meeting of the ICO. Kenyan Agriculture Minister Munyua Waiyaki told a meeting of the Coffee Board of Kenya which should be aimed at extracting useful results from other ICO members, particularly concerning quotas.

However, a consultative meeting of East African coffee producers to have been held here in Addis Ababa has been cancelled. Yosef Muleta, Permanent secretary in the Ethiopian Coffee and Tea Development Ministry said.

He said the meeting, planned to have been a regional get-together of coffee officials of East Africa, would take place in London next month.

India jute industry at its gloomiest

By P. C. Mahanti in Calcutta

THE JUTE industry has never looked so gloomy with jute goods exports 47 per cent down in the first quarter of this year and July-end stocks of unspun jute at a record high of 111,600 tonnes, largely because of lower domestic consumption.

Stocks rose in a month when output fell by 4,000 tonnes to 53,000 tonnes and 15 jute mills remain closed.

The industry claims that unless the Government considers the introduction of dual pricing for jute goods—a higher one for the domestically-sold goods and lower one for exports—the industry will be in grave danger.

John Cherrington

Colombia's coffee exports expected to total 9m bags

By Our Commodities Editor

Colombia's coffee exports are expected to total 9m bags (60 million lbs) for the 1981/82 (October-September) season, against 8.5m bags in the 1980/81 season, according to a report from the U.S. Agriculture Department said, reports Reuter.

In its weekly report on world production and trade, USDA said declining U.S. demand was a source of concern for local and government coffee authorities.

U.S. demand dropped to 18.4 per cent of total sales in the first nine months of this year from 25 per cent last year.

The report said Colombia was making an effort to re-activate coffee trade with East European countries. Colombia was believed to be arranging a barter with the Soviet Union of 53,300 bags of green coffee for 125 trolleys coaches over 12 years.

Colombia's coffee exports are expected to total 9m bags (60 million lbs) for the 1981/82 (October-September) season, against 8.5m bags in the 1980/81 season, according to a report from the U.S. Agriculture Department said, reports Reuter.

PRICE CHANGES

Table with columns: Commodity, Unit, Price, Change, Business Done. Includes items like Metals, Rubber, Soyabean Meal, etc.

AMERICAN MARKETS

Table with columns: Commodity, Price, Change, Business Done. Includes items like Precious Metals, Copper, Silver, etc.

Wednesday's closing prices

Table with columns: Commodity, Price, Change, Business Done. Includes items like Wheat, Soyabean Meal, etc.

EUROPEAN MARKETS

Table with columns: Commodity, Price, Change, Business Done. Includes items like Wheat, Soyabean Meal, etc.

LONDON OIL SPOT PRICES

Table with columns: Crude Oil, Price, Change, Business Done. Includes items like Arabian Light, Brent, etc.

GAS OIL FUTURES

Table with columns: Gas Oil, Price, Change, Business Done. Includes items like Gas Oil, etc.

BRITISH COMMODITY MARKETS

Table with columns: Commodity, Price, Change, Business Done. Includes items like Base-Metal Prices, Silver, etc.

RUBBER

Table with columns: Rubber, Price, Change, Business Done. Includes items like No. 1, No. 2, etc.

SOYABEAN MEAL

Table with columns: Soyabean Meal, Price, Change, Business Done. Includes items like No. 1, No. 2, etc.

INDICES

Table with columns: Index, Value, Change. Includes items like Financial Times, etc.

REUTERS

Table with columns: Commodity, Price, Change, Business Done. Includes items like Wheat, Soyabean Meal, etc.

GOLD MARKETS

Table with columns: Gold, Price, Change, Business Done. Includes items like Gold, etc.

LONDON FUTURES

Table with columns: Commodity, Price, Change, Business Done. Includes items like Tin, Copper, etc.

COFFEE

Table with columns: Coffee, Price, Change, Business Done. Includes items like No. 1, No. 2, etc.

COCOA

Table with columns: Cocoa, Price, Change, Business Done. Includes items like No. 1, No. 2, etc.

COFFEE

Table with columns: Coffee, Price, Change, Business Done. Includes items like No. 1, No. 2, etc.

MOODY'S

Table with columns: Commodity, Price, Change, Business Done. Includes items like Wheat, Soyabean Meal, etc.

MOODY'S

Table with columns: Commodity, Price, Change, Business Done. Includes items like Wheat, Soyabean Meal, etc.

FINANCIAL TIMES

Head Office: The Financial Times Limited, Abchurch Lane, London EC4N 3DF. Tel: 01-5677. Fax: 01-5677. Telegrams: FT 666666.

INTERNATIONAL & BRITISH EDITORIAL & ADVERTISEMENT OFFICES

Head Office: The Financial Times Limited, Abchurch Lane, London EC4N 3DF. Tel: 01-5677. Fax: 01-5677. Telegrams: FT 666666.

INTERNATIONAL & BRITISH EDITORIAL & ADVERTISEMENT OFFICES

Head Office: The Financial Times Limited, Abchurch Lane, London EC4N 3DF. Tel: 01-5677. Fax: 01-5677. Telegrams: FT 666666.

INTERNATIONAL & BRITISH EDITORIAL & ADVERTISEMENT OFFICES

Head Office: The Financial Times Limited, Abchurch Lane, London EC4N 3DF. Tel: 01-5677. Fax: 01-5677. Telegrams: FT 666666.

INTERNATIONAL & BRITISH EDITORIAL & ADVERTISEMENT OFFICES

Head Office: The Financial Times Limited, Abchurch Lane, London EC4N 3DF. Tel: 01-5677. Fax: 01-5677. Telegrams: FT 666666.

INTERNATIONAL & BRITISH EDITORIAL & ADVERTISEMENT OFFICES

Head Office: The Financial Times Limited, Abchurch Lane, London EC4N 3DF. Tel: 01-5677. Fax: 01-5677. Telegrams: FT 666666.

INTERNATIONAL & BRITISH EDITORIAL & ADVERTISEMENT OFFICES

Head Office: The Financial Times Limited, Abchurch Lane, London EC4N 3DF. Tel: 01-5677. Fax: 01-5677. Telegrams: FT 666666.

WORLD STOCK MARKETS

Low surges 13 more by 1pm

AS MORE investors rushed to take part in the market's historic rally, Wall Street surged further ahead in extremely heavy early trading yesterday.

The Dow Jones Industrial Average, by 1 pm, had forged ahead 12.84 points to 897.83. The average has not closed above the 900 mark since finishing at 901.83 on August 25 last year. The NYSE All Common Index climbed \$1.15 to \$68.54 and rises totalled more than 1,200 issues.

Trading volume was already over the 100m shares level by 1 pm, amounting to 101.52m against Wednesday's mid-session figure of 68.18m. Turnover appeared well on the way to exceeding last Wednesday's record amount for a full day of 132.69m.

Expectations that the Discount Rate would soon be cut again has sparked off this latest upsurge in the market. Analysts said the market seems determined to shrug off any bad news, such as the announcement yesterday morning that Maoville Corporation has filed for bankruptcy under Chapter 11.

Energy and Technology stocks were particularly strong. These issues started moving up on Wednesday after lagging behind the rest of the market the week before.

Atlantic Richfield rose \$2 to \$40. Union Oil California \$1 to \$28. Phillips 11 to \$28. Ashland 11 to \$27. Honeywell 11 to \$73. Datapoint \$1 to \$16 and Storage Technology 14 to \$21.

Building supply companies eased following news of the Manville failure. Jim Walter encouraged savers to invest in shares and bonds. The Index-tour de France index rose 4.3 to 116.5.

The measures include increased tax concessions on the purchase of shares and bonds. Wall Street's overnight advance in heavy turnover as

mesday accepted Occidental Petroleum's revised bid of \$55 a share. THE AMERICAN SE Market Value Index was 7.34 stronger at 278.97 at 1 pm. Volume 7.68m shares.

CSF, which reported a smaller-than-expected 1981 consolidated net loss, gained FF9 to FF137 after being temporarily suspended with a day's limit rise.

Foreign buyers, given further encouragement by the overnight renewed Wall Street advance and the likelihood of another reduction in U.S. interest rates, continued to fuel a Blue Chip rally on the Tokyo market yesterday.

Expectations of another cut in the 15 official discount rate were in the market. Traders said the U.S. Federal Reserve may lower the bank rate by at least one percentage point this time. Some estimated that the size of cut may be as large as 15 percentage points.

The market ran into profit-taking and receded after an initial rise, but moved ahead again in the late afternoon. The Nikkei-Dow Jones Average finished a further 26.76 ahead at 7,133.38 and the Tokyo SE Index 3.15 higher at 504.02. Trading volume reached 280m shares (280m).

Large-capital issues, such as Steels and Heavy Electric Machine Makers, met good demand. Active foreign buying was detected for Nippon Steel, lifting the shares Y5 to Y16. Despite news that it is suspending operation of two blast furnaces in response to falling demand, both domestic and foreign, Kawasaki Steel put on Y5 to Y137. Toshiba Y12 to Y230 and Kawasaki Heavy Y5 to Y260.

Motors, Light Electricals, Oils, issues related to Government public spending programmes, and Machine Tools were higher, but Precision Instruments turned easier, while Non-Ferrous Metals and Optical Fibres also declined.

Gold shares renewed their advance in heavy turnover as

Companies and Markets

NEW YORK

Table of stock prices for various companies in New York, including columns for Stock, Aug 25, Aug 24, and Aug 23.

Stock

Table of stock prices for various companies, including columns for Stock, Aug 25, Aug 24, and Aug 23.

Stock

Table of stock prices for various companies, including columns for Stock, Aug 25, Aug 24, and Aug 23.

Stock

Table of stock prices for various companies, including columns for Stock, Aug 25, Aug 24, and Aug 23.

Stock

Table of stock prices for various companies, including columns for Stock, Aug 25, Aug 24, and Aug 23.

Indices

Table of market indices including Dow Jones, NYSE, and various regional indices.

NEW YORK

Table of market indices for New York, including Dow Jones and NYSE.

NEW YORK

Table of market indices for New York, including Dow Jones and NYSE.

NEW YORK

Table of market indices for New York, including Dow Jones and NYSE.

NEW YORK

Table of market indices for New York, including Dow Jones and NYSE.

NEW YORK

Table of market indices for New York, including Dow Jones and NYSE.

NEW YORK

Table of market indices for New York, including Dow Jones and NYSE.

NEW YORK

Table of market indices for New York, including Dow Jones and NYSE.

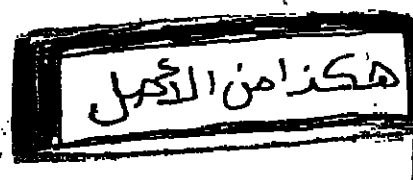
NEW YORK

Table of market indices for New York, including Dow Jones and NYSE.

NEW YORK

Table of market indices for New York, including Dow Jones and NYSE.

Source: Financial Times. Prices on this page are quoted on an interbank exchange basis. All prices are in US dollars unless otherwise stated.



Companies and Markets

LONDON STOCK EXCHANGE

RECENT ISSUES

Lower European interest rates revive flagging Gilts Equities follow Wall Street and 30-share rises 7.7

Account Dealing Dates... First Declared Last Account... Aug 16 Sept 2 Sept 3 Sept 13...

Lower European interest rates and stronger signals from the Bank of England to domestic clearing banks regarding base rates gave a midday boost yesterday to flagging London stock markets.

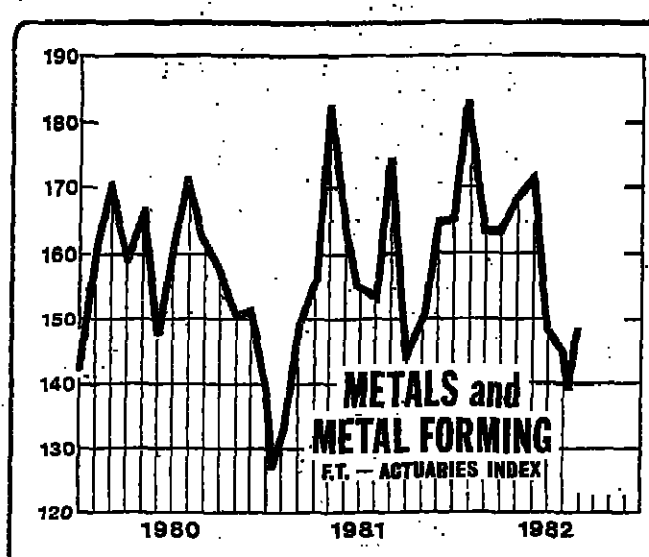
Chancellor's tough stance on the Government's economic policy failed to help Gilts-edged initially. The sector encountered further profit-taking which lowered quotations by 1/2 at both ends of the market.

The shorts also finished the day slightly irregular after a quieter but still volatile trading session. The Government Securities index was hardly stirred at 78.02. Dealings in the new Treasury 21 per cent indexed 2001 stock, tenders for

which were allotted in full at 94, began this morning. The equity sectors were guided by Wall Street and the latter's metropolitan usage yesterday ensured a strong close in London. Turnover, however, continued to fall from the recent higher levels and interest was often confined to sectors or companies in the news.

Home Banks idle. The major clearing banks passed a quiet session as investors awaited the imminent base lending rate reductions. Barclays softened a couple of pence to 360p, but the other three held their overnight levels.

Business in ICI remained thin, but the price edged up a couple of pence to 282p. Further support lifted Colgate 3 to a 192p peak of 195p, while Scottish Agricultural Industries gained the same amount to 191p following the interim results. New Industries "B" rose 3 points to 213p in response to the increased half-yearly income.



factory first-half figures, and disregarding worries about overseas cement competition. Blue Circle advanced to 430p before closing a further 14 before closing at 422p. Recently-dull Rugby Portland Cement firmed 3 1/2 to 90 1/2 in sympathy with London Brick, up 5 on Wednesday following interim profits in excess of market estimates, met with a useful two-way business and closed at 117p. Elsewhere in the Building sector, Costain shed 1 1/2 to 232p, after 230p, and the Deferred gave up 16 to 222p owing to poor results from its U.S. subsidiary, Heywood Williams lost 4 to 27p after the sizeable first-half loss. Blockleys closed 5 down at 175p; C. H. Beazer has increased its investment stake in the company to 14 per cent.

Business in ICI remained thin, but the price edged up a couple of pence to 282p. Further support lifted Colgate 3 to a 192p peak of 195p, while Scottish Agricultural Industries gained the same amount to 191p following the interim results. New Industries "B" rose 3 points to 213p in response to the increased half-yearly income.

A. G. Stanley wanted. Leading Stores took on a firm stance although business again left much to be desired. Marks and Spencer, 172p, and British Home, 158p, both added a couple of pence, while Woolworths, down to 44p initially on adverse comment, rallied to close a fraction better on balance at 45p. Buyers continued to show interest in W. H. Smith, which rose 5 more to a 192p peak of 208p. A generally favourable Press highlighting the company's recovery prospects after Wednesday's interim statement, lifted A. G. Stanley 6 to 52p. MFI added 2 to 86p in sympathy. An upward revision of a broker's profits forecast prompted firmness in Freemans, 6 up at 118p. Eurotherm continued firm in Electronics, adding 6 more to 508p and the new 10p share gain led to a 107p premium. Buying in response to Press comment saw Cray Electronic

Street encouraged a late spurt in the leaders which closed otherwise quiet session at the day's best. BTR rose 10 to 332p as did Glaxo to 70p, while BOC put on 5 to 189p and Beecham gained 4 to 228p. BEA topped 33p before closing 3 better at 32p in response to the better-than-expected interim profits, while improvements of 6 and 7 respectively were seen in British Aerospace, 242p, and United Parcels, 217p. Royals Worcester late demands - 3/4 added 3 at 180p, while late demand helped Stonehill put on the same amount to 41p.

Lesure Industries attracted support following the chairman's encouraging statement at the annual meeting and touched 139p before closing a net 6 up at 136p. Management Agency and Music also gained 6, to 90p.

Improved the tone in Properties made modest progress, Land Securities rising 4 to 258p and NEPC 3 to 187p. Great Portland Estates put on 4 to 160p, as did Greycroft City Offices, to 132p. Slough Estates, at 93p, recovered a penny of Wednesday's fall of 1p to 94p. Anglo-Eastern, 138p, appointing interim results. Elsewhere, revived demand prompted a gain of 4 to 80p in Mountshill, while Stewart Nairn attracted further speculative support and gained 1 1/2 more to 30p.

Marked sharply higher at the opening in sympathy with Transatlantic energy stocks following reports that Iraq had bombed the Iranian oil installation at Kharg Island, after cancellation of initial gains before moving ahead again in after hours' dealings on early Wall Street indications. British Petroleum finished a net 18 up at 390p, while Shell closed 10 higher at 406p. Ultramar put on 8 to 405p, while LASMO, still responding to the better-than-expected interim results, gained 18 to 358p. International Petroleum touched 54p on speculative interest before closing 6 higher on balance at 42p.

Lauro attracted fresh support, including substantial option business, following a broker's investment recommendation and finished 5 higher at 95p. Elsewhere in Overseas Traders, secured through the mid-term statement, clipped a couple of pence off William Jacks, at 13p.

Having made a disappointing return to the market on Wednesday, Mercantile House attracted scattered support and closed 5 higher at 375p; the new shares added to 37p, a shade above the offer price. Elsewhere in Financials, favourable mention lifted United Computer and Technology 8 to 95p.

An otherwise lifeless session in Shippings was again featured by P & O Deferred which succumbed to further nervous selling in front of next month's first-half results and closed 9 off at 143p.

Rothmans International, following a broker's bullish circ-

encountered renewed speculative support and closed 5 to the good at 97p.

Golds surge ahead. South African Golds recouped all of the losses sustained during the previous two days as the bullion price rallied strongly in overnight U.S. markets and continued to gain ground in London prior to closing a net 87.5 stronger at 9416.5 an ounce, its highest closing level since mid-December last year.

The share market surged ahead from the outset with widespread international buying interest only meeting modest selling from the Continent, notably Paris.

A minor bout of profit-taking around midday soon faltered and prices displayed a fresh burst of strength in the afternoon's trading when American interest was reported. Consequently closing levels were usually the day's best and the Gold lines index advanced 16.3 to 314.2.

The demand for Golds spilled over into South African Financials and Platinum. Gains of a point and more were seen in Anglo-Eastern, Anglo-Eastern, while the satisfactory results announced on Wednesday encouraged good support for "Johnnies", a like amount firming in Anglo-Eastern, Anglo-Eastern, attracted a good two-way trade and closed a net 10 up at 290p.

In London Financials, news that the participants have suspended work on the huge Cerro Colorado failed to deter buyers of RTZ, 5 up at 442p. Gold Fields edged up 3 to 465p.

Elsewhere, Cornwall's Geovor The spring to life and jumped 8 1/2 to 55p on speculation that RTZ may approach Geovor to acquire the latter's near 20 per cent stake in Geovor and eventually launch a full-scale takeover bid for the tin producer.

Dealers reported a much improved business in Traded Options where 1,735 contracts were done. Oil shares attracted most of the attention with British Petroleum recording 345 calls; the October 250s advanced 9 to 20p, while the October 300s rose 5 to 11p. Shell recorded 336 calls with the October 390s improving 10 to 20p.

FINANCIAL TIMES STOCK INDICES table with columns for Govt. Secs., Fixed Interest, Industrial, etc., and rows for Aug. 26, 25, 24, 23, 22, 21, 20, 19, 18, 17, 16, 15, 14, 13, 12, 11, 10, 9, 8, 7, 6, 5, 4, 3, 2, 1, 0.

HIGHS AND LOWS table with columns for High, Low, and rows for Govt. Secs., Fixed Int., Ind. Ind., etc.

S.E. ACTIVITY table with columns for Daily Gilt Edged, Daily Equities, etc., and rows for Govt. Secs., Fixed Int., Ind. Ind., etc.

FT-ACTUARIES SHARE INDICES table with columns for Thurs Aug 26 1982, Wed Aug 25, and rows for EQUITY GROUPS & SUB-SECTIONS.

FIXED INTEREST table with columns for Thurs Aug 26, Wed Aug 25, and rows for British Government, etc.

PRICE INDICES table with columns for Thurs Aug 26, Wed Aug 25, and rows for British Government, etc.

NEW HIGHS AND LOWS FOR 1982 table with columns for NEW HIGHS (65), NEW LOWS (65), and rows for BRITISH FUNDS, FOREIGN, etc.

NEW HIGHS AND LOWS FOR 1982 table with columns for NEW HIGHS (65), NEW LOWS (65), and rows for BUILDINGS, CHEMICALS, etc.

NEW HIGHS AND LOWS FOR 1982 table with columns for NEW HIGHS (65), NEW LOWS (65), and rows for INTERNATIONAL BANKS, BANKS, etc.

RISES AND FALLS YESTERDAY table with columns for Rises Falls, and rows for British Funds, etc.

WORLD VALUE OF THE DOLLAR table with columns for COUNTRY, CURRENCY, VALUE OF DOLLAR, and rows for Afghanistan, Albania, etc.

WORLD VALUE OF THE DOLLAR table with columns for COUNTRY, CURRENCY, VALUE OF DOLLAR, and rows for Afghanistan, Albania, etc.

WORLD VALUE OF THE DOLLAR table with columns for COUNTRY, CURRENCY, VALUE OF DOLLAR, and rows for Afghanistan, Albania, etc.

WORLD VALUE OF THE DOLLAR table with columns for COUNTRY, CURRENCY, VALUE OF DOLLAR, and rows for Afghanistan, Albania, etc.

EQUITIES table with columns for Issue Price, 1982 High, 1982 Low, Stock, and rows for Anglo-Nordic Sp., Anglo-Food, etc.

FIXED INTEREST STOCKS table with columns for Issue Price, 1982 High, 1982 Low, Stock, and rows for Anglo-Nordic Sp., Anglo-Food, etc.

"RIGHTS" OFFERS table with columns for Issue Price, 1982 High, 1982 Low, Stock, and rows for Anglo-Nordic Sp., Anglo-Food, etc.

ACTIVE STOCKS table with columns for Stock, Price, Day's Change, and rows for Anglo-Nordic Sp., Anglo-Food, etc.

WEDNESDAY'S ACTIVE STOCKS table with columns for Stock, Price, Day's Change, and rows for Anglo-Nordic Sp., Anglo-Food, etc.

WEDNESDAY'S ACTIVE STOCKS table with columns for Stock, Price, Day's Change, and rows for Anglo-Nordic Sp., Anglo-Food, etc.

WEDNESDAY'S ACTIVE STOCKS table with columns for Stock, Price, Day's Change, and rows for Anglo-Nordic Sp., Anglo-Food, etc.

WEDNESDAY'S ACTIVE STOCKS table with columns for Stock, Price, Day's Change, and rows for Anglo-Nordic Sp., Anglo-Food, etc.

WEDNESDAY'S ACTIVE STOCKS table with columns for Stock, Price, Day's Change, and rows for Anglo-Nordic Sp., Anglo-Food, etc.

Companies and Markets

CURRENCIES and MONEY

\$ & £ firm

Dollar was generally soft in early foreign exchange trading, but once again showed a much firmer trend in late European trading.

Sterling was unchanged against the dollar, but very firm against Continental currencies, with its trade-weighted index finishing at the highest level for a year.

European currencies were generally weak following cuts in central bank interest rates. DOLLAR - Trade-weighted index (Bank of England) 118.9 against 118.5 on Wednesday, and 113.3 six months ago.

STERLING - Trade-weighted index 92.3 against 91.9 at noon, 91.9 in the morning, 92.2 at the previous close, and 91.1 six months ago.

D-MARK - EMS member (weakest). Trade-weighted index 126.1 against 126.0 on Wednesday, and 121.5 six months ago.

ITALIAN LIRA - EMS member (strongest). Trade-weighted index 83.4 against 83.5 on Wednesday, and 64.9 six months ago.

Other currencies including Japanese Yen, Swiss Franc, and Australian Dollar are also mentioned with their respective values and trends.

Although the interest rate reductions were in line with market expectations the dollar rose to DM 2.4363 from DM 2.4128 at the fixing, and the pound to DM 4.28 from DM 4.2750.

The limited impact of the rate cuts on the market may reflect hopes of a cut in the U.S. Federal Reserve discount rate in the near future, despite slightly firmer Eurodollar rates yesterday.

The improvement in the inflation figures announced yesterday led to a rise in the dollar rate because of fears of a build up of very strong inflationary pressures which will be released when the price and wage freeze ends in October.

The D-mark was fixed against the dollar and sterling at the Paris fixing, and the D-mark to FF 2.3149 from FF 2.3147.

The D-mark weakened against the dollar and sterling in early trading, it then rose steadily to a peak of \$1.7600-1.7610 in the afternoon, but closed unchanged at \$1.7600-1.7610.

The pound rose to DM 4.2775 from DM 4.2750, and to FF 13.0450 from FF 13.0450.

THE POUND SPOT AND FORWARD

Table with columns: Day's spread, Close, One month, % Three months, % Six months. Lists various currencies and their rates.

THE DOLLAR SPOT AND FORWARD

Table with columns: Day's spread, Close, One month, % Three months, % Six months. Lists various currencies and their rates.

CURRENCY MOVEMENTS

Table with columns: Aug 26, Bank, Morgan Guaranty, Special Drawing Rights, European Currency Unit. Shows percentage changes for various currencies.

OTHER CURRENCIES

Table with columns: Aug 26, £, \$, Note Rates. Lists rates for currencies like Argentine Peso, Australian Dollar, etc.

FT UNIT TRUST INFORMATION SERVICE

A large grid of financial data under the heading 'AUTHORISED TRUSTS'. It lists numerous trust companies and their associated financial metrics, organized in multiple columns.

FT LONDON INTERBANK FIXING (11.00 a.m. AUGUST 26)

Table showing interbank fixing rates for 3 months and 6 months U.S. dollars, and other currencies like Deutsche Mark, Japanese Yen, etc.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Table showing interest rates for various Euro-currency deposits (Short term, 7 days, 1 month, 3 months, 6 months, 1 year) in different currencies.

MONEY MARKETS

Bank cuts dealing rates again. UK clearing bank base lending rate 11 per cent (since August 17 and 18). The Bank of England sent another signal on lower interest rates to the clearing banks yesterday, when it cut 1/2 per cent off money market bill dealing rates for the third day running.

EUROCURRENCIES Rates firm

French franc interest rates remained very firm in the Euro-currency market, reflecting the French authorities over the weekend with regard to membership of the European Monetary System. The upward trend in the Eurodollar rates reduced the franc's forward discount against the dollar however, but forward rates for the Italian lira tended to widen as Eurodollar rates were also very firm in response to the recent weakening of the lira in the EMS, and its fall to record lows against the Deutsche Mark.

MONEY RATES

Table showing money rates for New York, Germany, and France, including Prime rate, Fed funds, Treasury bills, and various interest rates.

LONDON MONEY RATES

Table showing London money rates for Sterling, Local Authority, Finance House, Discount, Eligible, and Five Year Treasury.

JAPAN

Table showing Japanese discount rates for Call (one-month), Bill (three-month), and other rates.

Notes section containing various financial notices, advertisements, and contact information for the FT Unit Trust Information Service.

INSURANCES

Table listing various insurance companies and their products, including Crown Life, Abbey Life Assurance Co. Ltd., and others.

INSURANCE & OVERSEAS MANAGED FUNDS

Table listing insurance and overseas managed funds, including Life Assur. Co. of Pennsylvania, Norwich Union Insurance Group, and others.

Table listing overseas managed funds, including Granville Management Limited, Guinness Mutual Int. Fund (Guinness), and others.

Table listing various financial services and funds, including Royal Bank, and others.

OFFSHORE AND OVERSEAS

Table listing offshore and overseas financial services, including Abbey Fund Management Limited, and others.

NOTES
Prices are in pence unless otherwise indicated and are for 100 units of the fund.

Espley-Tyas
FOR PROPERTY & CONSTRUCTION
We cover the country
London - Leeds - Birmingham
021-454 9881

FT SHARE INFORMATION SERVICE

LOANS—Continued

High	Low	Stock	Price	%	Yield	Ref.
100	99	FFI 14% '83	100	13.58	13.54	
100	99	FFI 14% '83	100	13.58	13.54	
100	99	FFI 14% '83	100	13.58	13.54	

BANKS & H.P.—Cont.

High	Low	Stock	Price	%	Yield	Ref.
100	99	Bank of Scotland	100	10.15	10.15	
100	99	Bank of Scotland	100	10.15	10.15	
100	99	Bank of Scotland	100	10.15	10.15	

FOREIGN BONDS & RAILS

High	Low	Stock	Price	%	Yield	Ref.
100	99	Chile 10% 1988	100	11.10	11.10	
100	99	Chile 10% 1988	100	11.10	11.10	
100	99	Chile 10% 1988	100	11.10	11.10	

AMERICANS

High	Low	Stock	Price	%	Yield	Ref.
100	99	Alcoa	100	11.10	11.10	
100	99	Alcoa	100	11.10	11.10	
100	99	Alcoa	100	11.10	11.10	

BEERS, WINES AND SPIRITS

High	Low	Stock	Price	%	Yield	Ref.
100	99	Guinness	100	11.10	11.10	
100	99	Guinness	100	11.10	11.10	
100	99	Guinness	100	11.10	11.10	

BUILDING INDUSTRY, TIMBER AND RAIL

High	Low	Stock	Price	%	Yield	Ref.
100	99	British Steel	100	11.10	11.10	
100	99	British Steel	100	11.10	11.10	
100	99	British Steel	100	11.10	11.10	

CANADIANS

High	Low	Stock	Price	%	Yield	Ref.
100	99	Bank of Montreal	100	11.10	11.10	
100	99	Bank of Montreal	100	11.10	11.10	
100	99	Bank of Montreal	100	11.10	11.10	

BANKS AND HIRE PURCHASE

High	Low	Stock	Price	%	Yield	Ref.
100	99	Bank of Montreal	100	11.10	11.10	
100	99	Bank of Montreal	100	11.10	11.10	
100	99	Bank of Montreal	100	11.10	11.10	

LOANS

High	Low	Stock	Price	%	Yield	Ref.
100	99	Public Board and Ind.	100	11.10	11.10	
100	99	Public Board and Ind.	100	11.10	11.10	
100	99	Public Board and Ind.	100	11.10	11.10	

CHEMICALS, PLASTICS—Cont.

High	Low	Stock	Price	%	Yield	Ref.
100	99	ICI	100	11.10	11.10	
100	99	ICI	100	11.10	11.10	
100	99	ICI	100	11.10	11.10	

ELECTRICALS—Continued.

High	Low	Stock	Price	%	Yield	Ref.
100	99	British Telecom	100	11.10	11.10	
100	99	British Telecom	100	11.10	11.10	
100	99	British Telecom	100	11.10	11.10	

ENGINEERING MACHINE TOOLS

High	Low	Stock	Price	%	Yield	Ref.
100	99	British Telecom	100	11.10	11.10	
100	99	British Telecom	100	11.10	11.10	
100	99	British Telecom	100	11.10	11.10	

DRAPERY AND STORES

High	Low	Stock	Price	%	Yield	Ref.
100	99	British Telecom	100	11.10	11.10	
100	99	British Telecom	100	11.10	11.10	
100	99	British Telecom	100	11.10	11.10	

HOTELS AND CATERERS

High	Low	Stock	Price	%	Yield	Ref.
100	99	British Telecom	100	11.10	11.10	
100	99	British Telecom	100	11.10	11.10	
100	99	British Telecom	100	11.10	11.10	

INDUSTRIALS (Misc.)

High	Low	Stock	Price	%	Yield	Ref.
100	99	British Telecom	100	11.10	11.10	
100	99	British Telecom	100	11.10	11.10	
100	99	British Telecom	100	11.10	11.10	

BRITISH FUNDS

High	Low	Stock	Price	%	Yield	Ref.
100	99	British Telecom	100	11.10	11.10	
100	99	British Telecom	100	11.10	11.10	
100	99	British Telecom	100	11.10	11.10	

Five to Fifteen Years

High	Low	Stock	Price	%	Yield	Ref.
100	99	British Telecom	100	11.10	11.10	
100	99	British Telecom	100	11.10	11.10	
100	99	British Telecom	100	11.10	11.10	

Over Fifteen Years

High	Low	Stock	Price	%	Yield	Ref.
100	99	British Telecom	100	11.10	11.10	
100	99	British Telecom	100	11.10	11.10	
100	99	British Telecom	100	11.10	11.10	

Index-Linked & Variable Rate

High	Low	Stock	Price	%	Yield	Ref.
100	99	British Telecom	100	11.10	11.10	
100	99	British Telecom	100	11.10	11.10	
100	99	British Telecom	100	11.10	11.10	

INT. BANK AND O'EAES GOVT. STERLING ISSUES

High	Low	Stock	Price	%	Yield	Ref.
100	99	British Telecom	100	11.10	11.10	
100	99	British Telecom	100	11.10	11.10	
100	99	British Telecom	100	11.10	11.10	

CORPORATION LOANS

High	Low	Stock	Price	%	Yield	Ref.
100	99	British Telecom	100	11.10	11.10	
100	99	British Telecom	100	11.10	11.10	
100	99	British Telecom	100	11.10	11.10	

COMMONWEALTH AND AFRICAN LOANS

High	Low	Stock	Price	%	Yield	Ref.
100	99	British Telecom	100	11.10	11.10	
100	99	British Telecom	100	11.10	11.10	
100	99	British Telecom	100	11.10	11.10	

HIRE PURCHASE, etc.

High	Low	Stock	Price	%	Yield	Ref.
100	99	British Telecom	100	11.10	11.10	
100	99	British Telecom	100	11.10	11.10	
100	99	British Telecom	100	11.10	11.10	

ELECTRICALS

High	Low	Stock	Price	%	Yield	Ref.
100	99	British Telecom	100	11.10	11.10	
100	99	British Telecom	100	11.10	11.10	
100	99	British Telecom	100	11.10	11.10	

FOOD, GROCERIES, ETC.

High	Low	Stock	Price	%	Yield	Ref.
100	99	British Telecom	100	11.10	11.10	
100	99	British Telecom	100	11.10	11.10	
100	99	British Telecom	100	11.10	11.10	

INDUSTRIALS (Misc.)

High	Low	Stock	Price	%	Yield	Ref.
100	99	British Telecom	100	11.10	11.10	
100	99	British Telecom	100	11.10	11.10	
100	99	British Telecom	100	11.10	11.10	

INDUSTRIALS (Misc.)

High	Low	Stock	Price	%	Yield	Ref.
100	99	British Telecom	100	11.10	11.10	
100	99	British Telecom	100	11.10	11.10	
100	99	British Telecom	100	11.10	11.10	

INDUSTRIALS (Misc.)

High	Low	Stock	Price	%	Yield	Ref.
100	99	British Telecom	100	11.10	11.10	
100	99	British Telecom	100	11.10	11.10	
100	99	British Telecom	100	11.10	11.10	

INDUSTRIALS (Misc.)

High	Low	Stock	Price	%	Yield	Ref.
100	99	British Telecom	100	11.10	11.10	
100	99	British Telecom	100	11.10	11.10	
100	99	British Telecom	100	11.10	11.10	

INDUSTRIALS (Misc.)

High	Low	Stock	Price	%	Yield	Ref.
100	99	British Telecom	100	11.10	11.10	
100	99	British Telecom	100	11.10	11.10	
100	99	British Telecom	100	11.10	11.10	

INDUSTRIALS (Misc.)

High	Low	Stock	Price	%	Yield	Ref.
100	99	British Telecom	100	11.10	11.10	
100	99	British Telecom	100	11.10	11.10	
100	99	British Telecom	100	11.10	11.10	

INDUSTRIALS (Misc.)

High	Low	Stock	Price	%	Yield	Ref.
100	99	British Telecom	100	11.10	11.10	
100	99	British Telecom	100	11.10	11.10	
100	99	British Telecom	100	11.10	11.10	

INDUSTRIALS (Misc.)

High	Low	Stock	Price	%	Yield	Ref.
100	99	British Telecom	100	11.10	11.10	
100	99	British Telecom	100	11.10	11.10	
100	99	British Telecom	100	11.10	11.10	

INDUSTRIALS (Misc.)

High	Low	Stock	Price	%	Yield	Ref.
100	99	British Telecom	100	11.10	11.10	
100	99	British Telecom	100	11.10		

INDUSTRIALS—Continued

Table of industrial stocks including companies like British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and percentage change.

LEISURE—Continued

Table of leisure stocks including companies like British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and percentage change.

PROPERTY—Continued

Table of property stocks including companies like British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and percentage change.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including companies like British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and percentage change.

OIL AND GAS—Continued

Table of oil and gas stocks including companies like British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and percentage change.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks including companies like British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and percentage change.

SHIPPING

Table of shipping stocks including companies like British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and percentage change.

SHOES AND LEATHER

Table of shoes and leather stocks including companies like British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and percentage change.

SOUTH AFRICANS

Table of South African stocks including companies like British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and percentage change.

TEXTILES

Table of textile stocks including companies like British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and percentage change.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher stocks including companies like British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and percentage change.

PAPER, PRINTING ADVERTISING

Table of paper, printing, and advertising stocks including companies like British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and percentage change.

TOBACCO

Table of tobacco stocks including companies like British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and percentage change.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks including companies like British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and percentage change.

PROPERTY

Table of property stocks including companies like British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and percentage change.

INSURANCES

Table of insurance stocks including companies like British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and percentage change.

LEISURE

Table of leisure stocks including companies like British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and percentage change.

DAIWA BANK logo and contact information: Head Office: Osaka, Japan; London Branch: Tel. (01) 588-0341; Frankfurt Branch: Tel. (0611) 55 02 31

MINES—Continued

Table of mine stocks including companies like British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and percentage change.

NOTES: (Notes are not included in the price and percentage change columns. They are included in the price and percentage change columns. They are included in the price and percentage change columns.)

REGIONAL AND IRISH STOCKS

Table of regional and Irish stocks including companies like British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and percentage change.

OPTIONS

Table of options including companies like British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and percentage change.

DIAMOND AND PLATINUM

Table of diamond and platinum stocks including companies like British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and percentage change.



Associate offices in New York, Geneva and Antwerp. St Quintin Tel: 01-236 4040 Telex: 8812619 City, West End, Leeds & Brussels.

Prior firm on Ulster assembly

BY BRENDAN KEENAN IN BELFAST AND MARGARET VAN HATTEN IN LONDON

MR JAMES PRIOR, the Northern Ireland Secretary, yesterday stressed his intention to press ahead with plans for a Northern Ireland assembly. The decision of the Social Democratic and Labour party, the main representative of the province's nationalist minority, to contest the October 20 elections but not to take up any seats in the assembly would be a setback, he said. However, Mr Prior said, while it obviously has less meaning if people who are elected don't take part, it doesn't stop the assembly going on.

there were any change of heart by the unionists, none of whom has yet agreed to accept the plan's provision that they co-operate with the nationalists. The SDLP decision came after a tough six-hour meeting of the party's executive. It represents a compromise between those who were prepared to work within the proposed framework and try to make it more acceptable, and those who wanted to boycott the entire scheme, including the elections. Mr Hume believes it unlikely that the unionists will alter their stance on the assembly. His suspicions are likely to have been strengthened by yesterday's call from Mr James Moynihan, the official Unionist leader, for the Government to drop the provision in the Devolution Bill for "cross community support" and abide by straight majority voting in the assembly. Mr Seamus Mallon, the SDLP

British Telecom's record profit

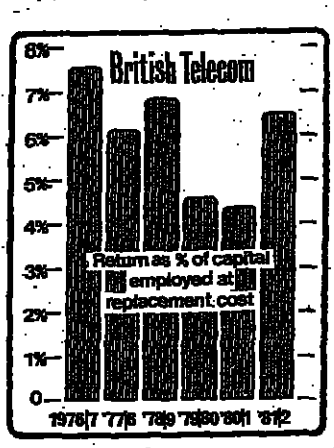
By Guy de Jonquieres

BRITISH TELECOM yesterday reported a record profit of £457.8m for the year to March 31, almost four times the previous year's £123.9m profit, which has been restated after changes in accounting policies. Turnover rose to £5.7bn from £4.6bn and more than half the profit increase resulted from higher charges, which are due to go up again later this year. The 1981-82 result would have been even higher, at about £585m, if BT had not charged against profits additional depreciation and exceptional charges of about £127m. These reflected adjustments due to the Government's policy of relaxing BT's monopoly.

THE LEX COLUMN

Telecom dials P for Profit

Index rose 7.7 to 576.1



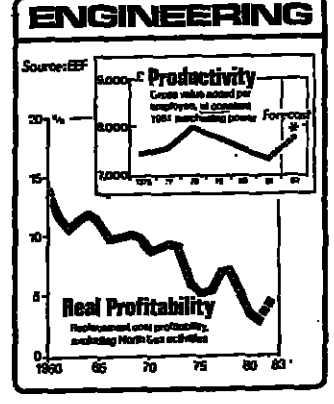
British Telecom seems to have an ascetic's conviction of the need for consumers to make sacrifices now for the benefit of future generations. Sir George Jefferson, the chairman, writes in the annual report that "the level of profits is broadly in line with that necessary to ensure a sound trading position." This represents a considerable understatement given the increase in pre-tax profit from a restated £124m to £458m, which handsomely exceeds the Government's return on capital target.

net new liquidity. It could, however, rapidly reduce minimum reserve requirements to hide the banking system over any problems a la Mexico. In London, where the authorities measure interest rate movements in very much smaller fractions, another one-eighth was clipped off bill rates. But inter-bank money is holding remarkably firm, with the discount houses understandably reluctant to sell stock, and the Bank's fervent hope that the clearers will take the bait tomorrow, for value Tuesday, looks a little forlorn.

Engineering groups point to slight recovery

BY PHILIP BASSETT, LABOUR CORRESPONDENT

ENGINEERING employers yesterday acknowledged a marginal improvement in the state of the engineering industry, but warned unions that the industry would lose a total of 150,000 jobs this year. The comments by the Engineering Employers' Federation, representing 6,000 companies in the engineering industry, came as the Confederation of Shipbuilding and Engineering Unions presented its annual pay and conditions claim—this year for substantial pay rises, improved differentials and a cut in overtime.



Such a change in the EEF's presentation, is significant, although Dr McFarlane said that, while there might be a marginal improvement in output from the depressed levels of last year, the EEF did not see the start of any sustained growth. Four hundred EEF member companies had gone out of business last year and 200 in the first six months of 1982. Employment had fallen by about 16 per cent over the last two years, and the EEF foresaw a further reduction of about 6 per cent in 1982.

Pipeline

the day by Mr George Bush, the vice-president, who struck out at the European argument that the U.S. ban on the use of American goods to build the pipeline was unfair. "We don't accept the argument," he told a national convention of the American Legion in Chicago. "And frankly, I don't believe that any American business should tie its future to leaders in the Kremlin—men who have no regard for the human rights of their own people, much less the people of Poland."

RTZ shelve Panama project

BY KENNETH MARSTON, MINING EDITOR

ONE of the world's biggest mining projects has been shelved as a result of the economic recession. It is the Cerro Colorado copper venture in Panama which is 49 per cent owned by London's Rio Tinto Zinc Corporation and 51 per cent by the Panama Government's Codemin. It could cost some \$1.8bn (£1bn) to develop. To secure its finances, RTZ is postponing further work on the project. It has so far spent \$30m.

The Cerro Colorado project, situated between 800 metres and 1,500 metres above sea level on Western Panama's rain-soaked mountainous backbone, rates as a technical and financial challenge. Ore reserves have been estimated at 1.3bn tonnes but the copper content is low at an average grade of 0.78 per cent. This compares with reserves at RTZ's Bougainville operation in the even wetter mountainous region of Papua New Guinea, which at the end of last year amounted to about 800m tonnes. Bougainville's ore contains a lower copper content of 0.4 per cent, but has a by-product in gold which runs at 0.46 grammes per tonne. Bougainville, however, has run into losses for the first time since it came on stream 10 years ago.

Bundesbank

however, some interest rates moved higher. The three-month Eurotrac rate rose by one point to 2 3/4 per cent, reflecting the weakness of the French currency, and three-month euro-dollar rates rose by nearly a quarter of a percentage point to 10-11/16 per cent. Wall Street opened strongly and the Dow Jones Industrial average broke through the 900 level for the first time since it was up by over 13 points at 898.5. The U.S. dollar staged a late recovery in European foreign exchange markets, closing at DM 2.4975 against DM 2.4290 and SwFr 2.048. The pound was unchanged against the dollar at \$1.7605, but its effective exchange rate as measured by the Bank of England rose 0.1 to 92.3, its highest for more than a year.

Howden bid to reassure Lloyd's agents

BY JOHN MOORE, CITY CORRESPONDENT

MR JOHN BOGARDUS, chairman of Alexander & Alexander Services Inc of the U.S., summoned more than 60 Lloyd's of London underwriting agents to the headquarters of Alexander Howden yesterday to discuss the management upheaval in the troubled Howden group. Alexander & Alexander, the world's second largest insurance broker, bought Alexander Howden, a leading UK insurance broker, earlier this year. The agents were the group which had introduced more than 3,500 individuals to Lloyd's underwriting syndicates under the management of Alexander Howden Group.

speculation in the Lloyd's market that Mr Postgate would leave Howden to develop his own underwriting agency following the Parliamentary decision that Lloyd's insurance brokers will have to sell off their interests in underwriting syndicates. Other agents are concerned that the underwriting company could be adversely affected following further disclosures in the Alexander and Alexander audit of the whole group. Already some agents have withdrawn more than 400 members from the Howden syndicates. To reassure other underwriting agents Howden has already waived the normal notice period required before underwriting members can leave the Howden syndicates. No notice period is required and agents can instruct Howden at any time up until Christmas.

Weather

UK TODAY Sunny intervals and scattered showers, heavier in North. N.E. Scotland Cloudy, showers prolonged at times. Max. 12C (54F). Rest of UK Sunny intervals, scattered showers. Max. 18C (64F). Outlook: Dry with sunny periods. Rain spreading from the West. WORLDWIDE

OPPORTUNITIES FOR EXPANSION IN THE U.K. BANKING SECTOR. THE CHANGES NOW TAKING PLACE IN BRITISH BANKING — REGIONALLY AS WELL AS LONDON — ARE SIGNIFICANT AND FAR-REACHING. THE BANKER IN ITS OCTOBER ISSUE WILL BE DISCUSSING: RETAIL BANKING, CORPORATE BANKING, WHOLESALE AND INTERNATIONAL, BANKING IN SCOTLAND, BANKING IN THE U.K.'S OFFSHORE ISLANDS.

Occidental wins battle for Cities Service

BY PAUL TAYLOR IN NEW YORK

OCCIDENTAL PETROLEUM of the U.S. has emerged as the victor in the 12-week takeover battle for the Cities Service oil group with a revised two-stage cash and shares bid worth about \$4.12bn (£2.3bn). The deal, backed by Cities Service's board, would make Occidental the eighth largest oil company in the U.S. if now ranks number 13. The deal was broadly welcomed yesterday by industry experts, who said it would end a period of uncertainty for Cities Service and provide Occidental with much needed oil and gas reserves in the U.S. Under the agreement, reached late on Wednesday, New York, Occidental boosted its tender offer to \$55 a share for

45 per cent of Cities Service's 76.4m shares and agreed to pay an improved package of notes and preferred stock for the rest of the energy company's stock. In a previous bid, Occidental offered \$50 a share for 49 per cent of Cities Service, worth \$1.9bn in cash. With the new offer, Occidental's initial cash outlay is expected to remain at around the same level, and overall it is expected to value Cities Service at \$53.90 a share. Occidental Petroleum shares were trading at \$21.4 yesterday, up \$1 after the announcement. Cities Service shares were suspended on Wednesday morning. They re-opened yesterday afternoon at \$44.4, up 1 1/2. After the agreement, Dr Armand Hammer, Occidental's chairman, said it was "a great day" and described the two companies as "a perfect fit". Mr Charles Waidelich, Cities Service chairman, said Occidental's offer was the best available to the company. He said that, having negotiated a higher cash tender offer, "we have maximised the investment of Cities Service holders". The deal with Los Angeles-based Occidental marks the end of a sometimes bitter takeover battle for Cities Service, which began in June with an A\$45 a share offer from Mesa Petroleum, followed by an abortive \$6bn bid from Gulf Oil worth \$63 a share. Gulf's subsequent withdrawal

Table with 4 columns: City, Day, High, Low. Includes cities like Ajaccio, Agaña, Amman, Athens, Bahrain, Barcelona, Beirut, Belfast, Berlin, Biarritz, Brighton, Bristol, Bordeaux, Boulogne, Brno, Brussels, Budapest, Cairo, Cardiff, Casablanca, Cape Town, Copenhagen, Curitiba, Dakar, Denver, Detroit, Dublin, Edinburgh, Florence, Frankfurt, Geneva, Glasgow, Hamburg, Harbin, Helsinki, Hong Kong, Innsbruck, Istanbul, Jakarta, Jerusalem, Lima, London, Lyons, Madrid, Manila, Mexico City, Miami, Moscow, New York, Nice, Ottawa, Paris, Perth, Rome, San Francisco, Sao Paulo, Seoul, Singapore, Stockholm, Taipei, Toronto, Vancouver, Vienna, Washington, Zurich.

كزمان الكحل